

Preview

The history of Crafts Dog Show, which opens today, and the remarkable story of the portrait painter Meredith Frampton, whose work is collected for the first time at a Tate Gallery exhibition, are among the subjects of today's Preview, the 16-page arts and entertainment guide published each Friday with *The Times*.

Bomb found under runway

Civilian aircraft using a former Battle of Britain fighter station have for 40 years been landing on top of a 500kg bomb. Factories and offices at Shoreham airport, West Sussex, were evacuated after the German wartime bomb was discovered under the runway, about 400 yards from the terminal building.

The switch to Trident-2

Mr John Nott, the Secretary of State for Defence, hinted strongly that Britain may switch to the American Trident-2 missile to replace Polaris in the 1990s. He also confirmed the decision to axe HMS Dreadnought, Britain's oldest nuclear-powered submarine.

Dr Kissinger recovering

Dr Henry Kissinger, the former United States Secretary of State who is recovering from a heart operation, received telephone calls from President Reagan, former President Gerald Ford and Mr Alexander Haig, the Secretary of State. A tube inserted in his throat to assist breathing has been removed.

Wife must pay husband £50,000

The daughter of a millionaire who helped to pay her husband's way as he rose to become a regional company director was told by the Court of Appeal that she must pay him £50,000 as a divorce settlement.

Telecom makes £140m profit

British Telecom made a £140m profit for the first six months of this financial year with its November price increase making a substantial contribution. Over the same period last year there was a £19m loss.

Woman in rape case marries

The Glasgow woman involved in the case of alleged rape which led to the resignation of Scotland's Solicitor General after the prosecution was dropped, was married yesterday.



Minister takes on race job

Sir George Young, Under-Secretary of State at the Department of the Environment, has been given special responsibility for race relations matters within the department. He has a long record of improving race relations in London.

Boat Race twins

Twins brothers, Hugh and Robert Clay, will row for Oxford University in the Boat Race on May 27. Their brother and father are also rowing Blues. Susan Brown will cox Oxford again.

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Letters: On in vitro fertilization, from Professor L. L. Craft, and the Bishop of Durham; on lead in petrol, from Dr R. Russell Jones; the unemployed, from Mr John Ferguson.
Leading articles: Interest rates; Research councils; Features, pages 9, 10.
Sir Keith Joseph offers a guarantee on university spending; David Watt sees a hidden threat in Reagan's budget; Philip Howard studies the Anglo-Saxon Chronicle; Are party political broadcasts legal?
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Miss Phyllis Morris

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Rail inquiry verdict may favour Aslef

By David Felton, Labour Reporter

Lord McCarthy's inquiry into the rail dispute ended yesterday without hearing evidence from the striking train drivers' union and the committee's findings are expected to be known on Monday.

The sitings ended as the 20,000 footplatemen held their fourteenth one-day strike and there seemed little hope last night of strikes next Sunday, Tuesday and Thursday being called off by the union, the Associated Society of Locomotive Engineers and Firemen (Aslef).

There was a growing feeling last night that the committee may be moving toward recommending payment of the 3 per cent increase which was due to Aslef from the beginning of last month, but was not paid because British Rail wanted commitment on productivity from the unions.

British Rail executives, concerned at the way the inquiry appeared to be leaning, submitted extra evidence yesterday morning in an attempt to emphasize their case that the payment of the 3 per cent, through understandings reached with the unions last August, was always conditional on Aslef's agreement to flexible rostering.

The Aslef executive will continue its stance that the strikes will go on until the 3 per cent is paid, and the inquiry report will be ignored by the union unless it accepts the union's arguments.

The executive would probably be prepared to call off the strikes if British Rail agreed to pay the 3 per cent and put the dispute back into the industry's negotiating machinery, but it is difficult to see how the management could do this because it would entail reversal of its position so far in the dispute.

Lord McCarthy, with the other members of the inquiry, Mr Ted Chappin, a former managing director of Esso, and Mr George Doughty, a former leader of the white-collar engineering union, will consider their findings tomorrow and the report will probably be written on Sunday.

British Rail has postponed until Tuesday a board meeting due to have been held today so that it will be able to consider the inquiry findings, which are not binding on the board. Mr Clifford Rose, the board member for industrial relations, said as he left the

inquiry yesterday: "We will look constructively at whatever recommendations Lord McCarthy makes. Beyond that I am not saying anything."

Mr Tom Jenkins, general secretary of the Transport Salaried Staffs' Association (TSSA), said he had a feeling of utter despondency because all the parties had indicated that they were not prepared to compromise. He said he had asked Lord McCarthy to advise that British Rail should pay the 3 per cent to the Aslef members because he believed that the understandings on pay and productivity were separate.

He said he thought the productivity issue should be put back into the negotiating machinery and if necessary should be decided by the Railway Staffs National Tribunal. The three members of the inquiry committee also make up the tribunal membership.

Mr Sidney Weighell, general secretary of the National Union of Railwaymen (NUR), said he had asked Lord McCarthy to state clearly what he thought was the status of the understanding on productivity and, in particular, of the six efficiency proposals, including flexible rostering.

He also indicated that he shared British Rail's worry that the inquiry may produce recommendations that throw into the melting pot the agreement on flexible rostering that has been signed by the NUR and the TSSA. He said he had asked Lord McCarthy to state clearly what he thought was the status of the understanding on productivity and, in particular, of the six efficiency proposals, including flexible rostering.

Miners' leaders, yesterday drew back from calling an immediate national ban on extra movements of coal by road on days when there are rail strikes after being asked by the NUR not to exacerbate matters.

Left-wingers on the National Union of Mineworkers' executive urged that a ban should be imposed, but instead the NUM is to talk to all three rail unions on Monday.

Mr Roy Davies, the Aslef general secretary, is due to address the TUC's south-east regional council tonight when he will ask for the support of all affiliated unions in London and the south-east. Mr Davies said: "I'm going to foot the bill."

Sir Freddie had already said that passengers booked on scheduled flights before February 5 would have their tickets honoured by the new company he hopes to set up with Lomho.

But he admitted that if the new airline did not get off the ground, he did not know what would happen about the £700,000 owed.

Mr Rowland said: "Of course they will get their money back, not from the new company but from me. I'm going to foot the bill."

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Sir Freddie Laker outside the Lomho offices in London yesterday: "We want to employ as many of the old staff as we can."

I will foot Laker's Skytrain bill, Tiny Rowland promises

By Michael Bailey and John Witherow

Sir Freddie Laker was running into serious licensing difficulties with his People's Airline last night after satisfactory talks with Lomho arrived at a 50-50 partnership to start operations in April.

After which Lomho's Mr Tiny Rowland guaranteed that the Laker Skytrain passengers would get their money back.

Rival airlines are certain to oppose his application for a renewed licence on the ground that he is no longer a fit and proper person. One of them, British Caledonian, formally notified the Civil Aviation Authority that they would be applying for Laker's Los Angeles licence.

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Mr Adam Thomson, British Caledonian chairman, said last night that the Laker experiment had failed and "the most honourable solution is to sweep away the Laker Airways debris".

Sir Freddie admitted after a two-hour lunchtime meeting with the CAA that "licensing is the main stumbling block at the moment".

Sir Freddie and Mr Rowland have agreed a Skytrain Mark II of which Laker would be chief executive and Lomho a sleeping partner in a 50-50 deal.

Up to 10 DC 10s, costing around £110m, are apparently envisaged to operate low cost services on the same routes as before: New York, Florida and Los Angeles.

They would probably carry the name "Laker" on the tail fin and "People's Airline" on the body, Mr Rowland said.

If Sir Freddie's new operation is sufficiently close to the old one in routes, schedules, and fares, he will need to satisfy the CAA of his financial strength and commercial viability to prevent revocation of his existing licences from next Wednesday.

These licences were granted not to Laker International, which is in the hands of the official receivers, but to Laker Airways, a Jersey company, Sir Freddie still owns. If the CAA decides to revoke this as a disciplinary and unnecessary exclusion of the litigant and his solicitor from the right to make greater use of the documents, in the way that everybody else could, and exercise a fundamental freedom.

Lord Diplock also made a distinction between the kind of reporter who might be allowed to see documents once read out in court. These fell into two categories, he said.

There were those working for the law reports and general reporters whose métier is to produce fair and accurate, although it may be much condemned, contemporaneous accounts of what happened in the course of the day's proceedings in court. But the journalist, Mr David Leigh, then of *The Guardian*, to whom Miss Harman disclosed the bundle of Home Office documents, was not a press reporter of either of those kinds, Lord Diplock said.

He was a journalist who wanted to see the documents "for the avowed purpose, with which Miss Harman was in sympathy, of composing not a report of the proceedings but a feature article attacking the running of the Home Office."

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MPs will challenge ruling on contempt

By Frances Gibb

A delegation of Labour MPs is to urge the Home Secretary to consider a change in the law to override the effect of a House of Lords majority ruling yesterday that a solicitor was in contempt of court when she showed a journalist Home Office documents that had been read out in open court.

By three to two the law lords ruled that Miss Harriet Harman, legal officer of the National Council for Civil Liberties (NCCCL), was guilty of contempt when she showed a journalist confidential documents obtained by an order of discovery.

But it would not have been contempt, they ruled, if the documents had been shown to a law reporter and not, as in this case, to a journalist who used them in a feature article critical of the Home Office.

The lords ordered Miss Harman to pay the total costs of the hearing and those of the appeal. The order was made in an action brought by the Home Office to "clarify the law". They are estimated at £25,000.

After the ruling, the NCCCL said it would be lodging an appeal with the European Commission on Human Rights and launching an urgent appeal for funds. The order had put it in "an extremely serious financial position".

Lord Diplock, who, with Lord Keith of Kinkel and Lord Roskill, upheld the court of appeal's ruling against Miss Harman, held that a solicitor undertaking not to use discovered documents for any purpose other than that action, did not vanish just because the documents were read out in open court.

But in a strong dissenting judgment, Lord Scarman and Lord Simon of Glaisdale said there was no justification for "what appears to us to be a discriminatory and unnecessary exclusion of the litigant and his solicitor" from the right to make greater use of the documents, in the way that everybody else could, and exercise a fundamental freedom.

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Lovesick—or just a pain in the neck

From Peter Watson
New York, Feb 11

Dr Albert Ritterson must be the most unromantic soul on earth. With St Valentine's Day bearing down on us, sentimentalists are having a field day in New York, laundries have offered to clean free of charge anything that is red or has hearts on it. The ice cubes in your scotch are available in some bars in heart shapes and on Sunday several restaurants will be providing free oysters as aphrodisiacs.

Against this gushing background, Dr Ritterson, a microbiologist from the University of Rochester, has stuck his neck out and claims to have proved that lovesickness simply does not exist. It is, he says, on a medical misconception.

He says that when we feel that longing ache for someone else whom we get dizzy depressed, cannot sleep and get feverish at nights, we are deluding ourselves if we think it is love. No, it is brucellosis.

His theory works like this. Two thousand years ago, the Romans feared of Lupericalis used to take place on February 15. This was a fertility festival, designed to celebrate the purity of fertile women and to ward off evil. To accomplish these ambitious goals, the Romans used to sacrifice several goats and a dog each Lupericalis.

Young men, known as Luperci, and dressed in loin-cloths made from the hides of goats, ran through the stadiums and, using slender thongs also fashioned from the animal skins, lightly flogged the audiences gathered for the festivities.

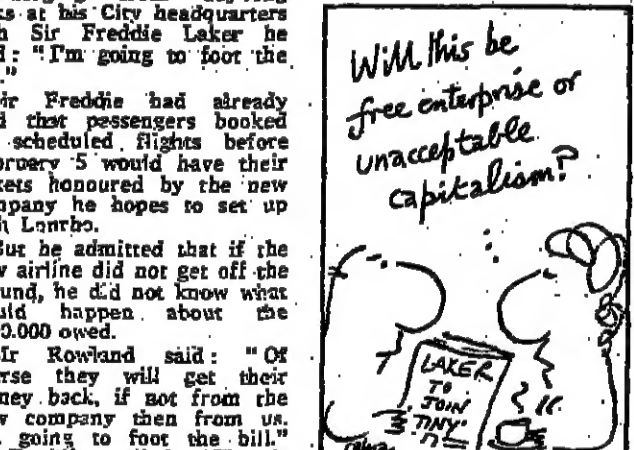
Dr Ritterson says in a letter to the *New England Journal of Medicine* today that brucellosis—the bacterial disease discovered in Malta, in 1887, by Sir David Bruce—is spread in just this way, from a goat to humans: by contact with the skins of freshly killed animals carrying the disease.

The symptoms of brucellosis are identical with lovesickness: depression, loss of weight, general malaise, aching, dizziness, insomnia, a rise in body temperature at night. It can even be fatal through endocarditis, heartbreak.

What clearly must have happened, Dr Ritterson says, his tongue not entirely out of his cheek, is that many Luperci in ancient Rome went down with brucellosis shortly after the celebrations. The sickness became associated with Lupericalis.

The Christian festival of St Valentine, which began after his death in the third century, was celebrated on the day before Lupericalis and brucellosis became mixed up with thwarted love.

Poets and writers have sustained the tradition that unhappy lovers have suffered these symptoms of brucellosis and we have all been taken in. Dr Ritterson had no time to elaborate on his theory today. He was dashing off to order his wife red roses. She'll kill me if I do not. She thinks my theory stinks," he said.



Primate of Poland may baptize Walesa baby

From Roger Boyes, Warsaw, Feb 11

Archbishop Józef Glemp, the Primate of Poland, may baptize the newly born daughter of Mr Lech Walesa, the interned leader of the Solidarity union, according to senior church men. The move would be a powerful symbolic, underlining church support for Mr Walesa at a time of deadlock in church-state and state-union relations.

The news was revealed at Warsaw airport upon the arrival of Archbishop Glemp from a week's visit to the Vatican. Accompanied by Cardinal Franciszek of Cracow and Archbishop Henryk Gulbinowicz of Wroclaw, the Primate had sought advice on future strategy from the Pope.

Archbishop Gulbinowicz said that he "would not rule out the possibility of the Primate carrying out the baptism" of the daughter born about two weeks ago. Other priests added that Mr Walesa might be

temporarily released for the occasion and that his wife and their other six children might be allowed to visit him.

After several weeks of tense discussions with the martial law authorities, the Primate seemed relaxed and in high spirits. Would Mr Walesa be released into church custody? he was asked. "There was a report that he had been released yesterday," he replied, "but I leave it to you journalists to determine the facts."

Church dignitaries questioned after this comment indicated nervously that the Primate had been joking. Mr Walesa was still being held in Warsaw.

The tone of church strategy after the Vatican talks seems to be to defuse the situation, to settle down to long-term campaigning, above all to move away from playing a direct political role. "We must take a wider perspective," said Cardinal Macharski.

Foot battles for ousted Labour MP

By Philip Webster
Political Reporter

Mr Michael Foot, the Labour leader, said last night that all Labour MPs were horrified over the failure of Mr Frank Hooley, MP for Sheffield, Heeley, to be re-elected as his party's candidate for the next general election.

At a meeting of the Parliamentary Labour Party he described the defeat of Mr Hooley, one of the party's most respected MPs, by Mr William Michie, a left-wing Sheffield councillor, as a deplorable event.

In response to calls on him to raise the issue with the national executive committee Mr Foot said that any action he took would be in consultation with Mr Hooley, a remark taken by MPs as clearly indicating that he will take the matter further.

The issue raises again the prospect of further conflict in the party, with Mr Foot supporting the steady erosion by activists.

Labour MPs were, shocked by Mr Hooley's failure last Friday to be re-elected. He is far from being regarded as a right-winger, but his defeat has been blamed on Mr Wedgwood Benn in Labour's deputy leadership election contest. He voted for Mr John Silkin on the first ballot and abstained on the second.

Mr Hooley, who was not present at last night's PLP meeting, at which much of the bitterness of last year's resurfaced, was paid warm tributes by all speakers.

Mr Peter Snape, MP for West Bromwich, East, said that Mr Hooley was a hard-working and conscientious MP. If it was wrong to purge Miliband, as the far left said it was, wrong to purge MPs like Mr Hooley.

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MP moves to avoid costlier mortgages

By Anthony Bevins, Political Correspondent

An Inland Revenue economy measure is threatening to increase the monthly mortgage payments made by most of first-time housebuyers as well as a large proportion of the 5.5 million people with mortgages.

Mr George Cunningham, Labour Independent MP for Islington, South and Finsbury, will this afternoon raise the issue in the Commons with a warning that MPs must not allow the proposal to pass into law.

For the MP has maintained that with an average mortgage of £15,000 over 25 years, people on a repayment mortgage at 15 per cent could be asked to pay out an extra £5,883 a month net from April, 1983, because of the new Inland Revenue proposals.

That extra charge will slowly decline over the years, but lower net repayments will only come into effect after year eleven and, then, only if the mortgage has not been altered in the intervening period.

The change, which takes effect from April next year, would, the Inland Revenue confirms, save it about 1,000 staff by cutting out interest relief on mortgages with borrowings making interest payments net of the basic 30 per cent tax rate.

But Mr Cunningham will explain that building societies have decided that they do not wish to make annual increases in the net payments for borrowers on repayment mortgages.

Instead, they will level out

the net payments over the life of the mortgage, subject to interest rate fluctuations, so that borrowers will have to bear increased net payments in the early years of their mortgages, with compensating reductions later on.

Mr Cunningham's complaint, which will be shared by other MPs, is that the new system will make it more difficult for young couples to buy their first homes by imposing a greater burden when they can least afford it.

Do not promise too much, SDP tells candidates

By Philip Webster, Political Reporter

The Social Democratic Party yesterday launched its campaign for the local elections in May by warning its candidates not to promise more than they can deliver.

As the party prepares for the first national test of its electoral appeal and its organizational and campaigning ability, it published a background document to guide area SDP parties on how to adapt the national party's philosophy to local circumstances.

It is clear from the document and from remarks from Mr John Cartwright, chairman of the subcommittee that looks after the SDP's local committees network, at a press conference to introduce it, that candidates will be allowed considerable latitude in the policies they present to the electorate. The party's lack of agreed policies, constantly remarked on by its opponents, is again being made to appear as a virtue rather than a hindrance.

Thus the document says that a detailed policy programme would be inconsistent with the party's need for genuine decentralization of decision-making and programmes can be expected to differ widely across the country.

It is firm, however, on the danger of arousing unjustified expectations. "We must tell people frankly that what SDP-Liberal-controlled councils can achieve alone as long as an insensitive Tory Government stays in power is severely limited."

The party is preparing for the elections having already achieved a remarkable degree of agreement with the Liberals over the sharing out of seats.

Mr Cartwright reported yesterday that of 166 local authorities both parties will

Anger over second TV delay

From Arthur Osman, Birmingham

Lord Thomson of Monifieth, chairman of the Independent Broadcasting Authority, said yesterday that Central Independent Television, which has had to postpone the second time the opening of its East Midlands service, had consulted him about its difficulties.

He replied to a telegram from the East Midlands Forum of County Councils, Derbyshire, Leicestershire, Nottinghamshire and Northamptonshire, which was said to be "seething with indignation" about the further postponement.

A spokesman of the forum said: "Our confidence has been badly shaken and we intend to go to the matter raised in the Commons by a local MP. I hesitate to use the word 'renewed', but there are lots of areas to which we need reassurance."

The forum was instrumental in getting the authority to make the Midlands a dual-franchise region and Central, which succeeded ATV, had planned to start its special service on January 1.

A dispute with electricians stopped it, but since a settlement had been announced the service would start next Monday. Central Independent Television has now put it off to a date yet to be fixed because of "new problems and demands" raised by its workforce.

It said it would cost an additional £2m a year to second staff to a temporary studio near Nottingham and it had a projected loss of £2m for the first 15 months.

Fulham pay damages

Fulham football club yesterday agreed to pay Mr Rodney Stone, the former club secretary, £5,750 in settlement of his claim in the High Court for damages for alleged wrongful dismissal.

Airey Neave's sister tells of phone threat

From Our Correspondent, Winchester

Lady Milton, sister of the late Mr Airey Neave, the MP who was murdered by Irish terrorists, was terrified when a mysterious caller telephoned her isolated country home and demanded £2,000, a court was told yesterday.

The caller threatened the lives of Lady Milton and her two sons, saying: "The Lord help you all, you know what they did to Airey."

She replied: "Well, I'm afraid I cannot do anything without consulting my solicitor."

Lady Milton told the jury at Winchester Crown Court: "The voice sounded rather stunned by this comment and he said he would contact me later. I was terrified but tried to keep very calm."

Mervyn Baylour, aged 30, and his brother, Chadwick Baylour, aged 24, the sons of Sir Banjo Paterson, former Governor General and Chief Justice of Sierra Leone, both deny demanding money with menaces.

Mr Hogn Hayn, for the prosecution, said Lady Mil-

Women line up against plan for sex equality

By Our Political Reporter

Dr David Owen last night urged representatives at the Social Democratic Party's weekend constitutional convention to support positive discrimination for women in the party's organization.

The party's leaders fear that its promise to ensure the equal representation of women is under threat, from the women. The convention will be asked to agree that area parties should each elect one man and one woman to the Council for the party's organization.

But the recommendation faces resistance at area party level, particularly from women who are in positions of prominence locally, who say that such a provision is unnecessary, even condescending.

Dr Owen last night produced figures indicating that claims that the party's formal processes would ensure representation of women were unfounded.

He told a meeting at the Commons of the 300 Group, whose aim is to bring more women into Parliament, that although 40 per cent of the SDP's members were women, only 18 per cent of its national steering committee, 16 per cent of the weekend convention representatives and 11 per cent of applicants to parliamentary candidates were women.

"All this demonstrates that without some specific provision within the constitution to ensure equal representation, we will continue down the path of the old parties, inadequate representation of women in all the decision-making bodies which the SDP will influence."

"We will have insufficient women MPs, insufficient women councillors and an insufficient number of women holding office within the party."

If the convention defeats the plan, it could still be put to a ballot of all members.

Mrs Shirley Williams yesterday defended Social Democratic MPs who supported the Government on the Employment Bill, even though they disagreed with much of its contents (see Press Association reports).

She told a lunch of the United States Chamber of Commerce in London: "The Bill is right to try to protect individuals against the misuse of union power, and that is why we supported it on second reading."

"Yet neither the Employment Bill nor the predictably Pavlovian and exaggerated reaction of the Labour Party to it addresses the real problems. The real problem is that British industrial relations like Britain's political system, are locked in a sterile combat."

She said Social Democrats would seek to change the clauses in the Bill on the industrial democracy, secret ballots for the election of national officials and the political levy.

"In the next two months you will see the old parties, despite their cherished mutual hostility, united in an attempt to drown our voice."

Suspended Leftists to appeal

From a Staff Reporter, Birmingham

Nineteen left-wing members of the Sandwell Labour group on Sandwell council, West Midlands, who were suspended by moderates for up to six months, said yesterday they would appeal to the party's national executive.

The 19 were suspended after they left a council meeting in protest over a rent increase of £2.25 a week and a rate rise of 5 per cent. They also objected to £2.2m spending cuts to keep the rate in line with the level of £2.2m in the pound.

They said that 250 council workers would lose their jobs because of the cuts. Two other moderate members of the Labour group were suspended for refusing to support a school closure.

The left-wingers were instrumental in forcing the dismissal last year of Miss Joanna Harris by a closed shop agreement they introduced.

During their suspension they will not be able to attend group meetings or participate in policy talks. If they vote with the 17 Conservatives they could defeat the remaining 33 Labour members over the proposed increases.

Mr Joseph Adams, leader of the Labour group, said that any controlling group must have discipline. "A collective decision has been taken which they chose to ignore. What we are doing is working within the framework of the law, and that is a responsible attitude. Local councillors of all parties have to understand they are not the masters of their own destinies because of the dictates of finance and with the new powers Mr Heseline has acquired."

Mr John Edwards, chairman of the left-wing group, who is under a six-month suspension, said: "The only offence we have committed is to support Labour Party policy and seek to defend working-class people who elected us."

The case continues today.

Research council cuts: 5

The guardians of British science

By Pearce Wright, Science Editor

By considerable juggling of its finances, the Science and Engineering Research Council hopes to avoid serious disruption to existing university research programmes after the recent budget cuts, although many applications for grants from working young scientists cannot be considered this year or next.

In a positive rescue plan, the council has arranged to help the transfer of outstanding academics, whose departments are marked for closure, to another university. In unprecedented gesture the council is prepared to pay their salaries for up to 10 years if necessary. Such measures have been prompted by the impact of the Government's economic squeeze on academic research.

The council (SERC) is not the most seriously affected of the five research councils, although it is by far the largest. It has a budget this year of £234.4m from a total of £463.9m shared between the five research councils.

The proportion which goes direct to scientists in universities varies. Last year, for example, foreign subscriptions for scientists to collaborate in international research through organizations such as the Centre for European

Nuclear Research, near Geneva, the European Space Agency, Nato science schemes, and the Anglo-Australian Telescope cost SERC £41.5m.

Those payments give a glimpse of the increasing cost, scale and complexity of maintaining a comprehensive and modern basic research programme. For they form the entry fee for British scientists to conduct experiments in particle physics, astronomy and space exploration which cannot be afforded on a purely national programme.

At the other end of the scale a piece of brilliant fundamental zoology — on, say, insect behaviour — may be studied in a small laboratory supported for a few hundred pounds.

Whatever the size or subject of a university project, an initial assessment on its merit has been made by one of the hierarchy of almost 100 boards and committees of senior scientists who, in the end, are the arbiters of the standard of British science.

At the top of the pyramid are four main boards of eminent scientists accountable for several broad categories into which research is divided: nuclear physics, astronomy and space research, science, and engineering. Membership of the first three is predominantly from universities, and the engineering board includes industrialists.

The responsibility of each board is wide. The science board, for example, is answerable for the quality of university research in biology, physics, mathematics, chemistry, computing, archaeology and other subjects.

Adequate support for research depends increasingly on very large items of apparatus, which no single university can afford. Therefore, the council makes provision for a central university facility.

Among the equipment for which the science board is liable is one of the most powerful lasers in the world for experimental work, built at the council's Rutherford Laboratory near Oxford; and two huge machines, referred to as the Synchronic Radiation Facility and the Nuclear Structures Facility, at the Daresbury Laboratory, near Warrington, which cost £47m and £14m each year respectively.

Looking to the future, Professor John Kingman, who succeeded Sir Geoffrey Allen in October as chairman of the SERC for the next

five-year term, believes Britain must collaborate with its European neighbours if it is to build new major research facilities. So the council is already looking for partners — for instance in the construction of a spallation neutron source at the Rutherford Laboratory, at an estimated cost of £15m.

The council's difficulties in building large central facilities have been accumulating since the mid-1970s when its budget failed to rise with inflation. The organization was forced to lengthen construction times for some large undertakings.

The Natural Environment Research Council, NERC, is the youngest of the research councils. Its budget for the year is £57.6m.

Its fields of research are defined broadly as the solid earth, its physical properties and mineral resources, the seas, their characteristics and living resources, the terrestrial environment, or the organization, interaction and productivity of plant and animal populations and communities; the atmosphere and the inter-disciplinary studies of the Antarctic environment embracing atmospheric, earth and life sciences.

Representatives of the manufacturers emphasized that vessels of that type are designed for sheltered water operations. Her voyage from Scotland for the proposed demonstration had been beset by gale-force winds and high seas.

Catamarans of that type could fly up river as far as Potterspool, Eastham Country Park and the Ellesmere Port boat museum.

NEWS IN SUMMARY

Catamaran ferry trial stormbound

Merseyside Passenger Transport Executive is to carry out trials with Highland Seabird, a high-speed, 180-passenger, diesel-powered catamaran craft, as a possible replacement for the last of the Mersey ferries operating at a loss of £1,750,000 a year John Charter writes from Liverpool.

Highland Seabird, built by Westmarin AS in Norway and owned by Western Ferries Scotland, is to be evaluated on the Mersey and possibly chartered for six months.

The official announcement of the plans started inauspiciously yesterday because Highland Seabird was still storm-bound in the Isle of Man.

Orders against two solicitors

The names of two solicitors found guilty of unprofessional conduct were ordered to be struck off the Roll by the Solicitors' Disciplinary Tribunal yesterday. Keith John Field, formerly of 11, New Street, was sentenced at Brighton Crown Court on April 14 last to three years' imprisonment for offences under the Theft Act.

Andrew James Milne, formerly of Norton and Sons, West View, Heath, Wakefield, West Yorkshire, admitted using clients' money for his own purposes.

Hunt for killers of Pakistani

Detectives launched a murder inquiry yesterday after four men left a Pakistani robbed and dying in a back street in Nelson, Lancashire.

The attackers stole a small quantity of cash from Mr Ali Asghar, aged 28, of Reddyford Road, Nelson, and left him in a pool of blood only a mile from his home on Wednesday night.

£9,000 raid at hospital

Two hooded raiders in boiler suits sprayed ammonia on a security guard's face and escaped with £9,000 in wages from Bedford Hospital, Bedford, yesterday.

A white Ford Capri was found in the hospital grounds. It was stolen from Dunstable on Tuesday. Police were trying to trace its movements since then.

Footballer remanded

Terry Hurlock, aged 23, captain of Brentford, the Third Division football club, was remanded by Waltham Forest Magistrates, in London, yesterday, charged with assault and causing criminal damage. With Jamie McMeekin, aged 23, co-defendant, of Walthamstow, he was granted unconditional bail.

They are accused of assaulting Ronald Drevett, causing actual bodily harm, and damaging a car in Walthamstow on January 1. Mr Hurlock and Mr McMeekin allege assault by Mr Drevett, who was also remanded on unconditional bail.

Mackerel catch curb

The mackerel fisheries off south-west Britain are to be closed to large United Kingdom trawlers from the end of next week to conserve stocks, the Ministry of Agriculture, Fisheries and Food said yesterday. Local vessels less than 60ft long will be allowed to fish with a weekly catch quota of 25 tons.

Prison for fiddler on the railway

Paul Richmond, a British Rail timekeeper, was sent to jail for five years yesterday for calling up a phantom army of railway workers to swindle BR of £13,000 in wages.

Richmond, aged 25, of 21, Bridge Path, Park Street, St Albans, Hertfordshire, pleaded guilty at St Albans Crown Court to two charges of obtaining property by deception and eight charges of conspiring to defraud British Rail.

The court heard that Richmond used fictitious names in the BR wages books and even got his friends to pose as rail workers and turn up for medical checks in order to make his fraud successful from December, 1979, until the summer of 1980.

Also before the court were David Timberlake, aged 22, of Clarence Road, Peter Crawley, aged 21, of Watford Road, Terence Rogers, aged 19, and Keith Rogers, aged 21, both of Sandfield Road, and Alfred Ladd, aged 19, of Station Road, all of St Albans, who all admitted conspiring to defraud British Rail and were given suspended sentences or community service orders. They were all ordered to pay compensation.

Mr Stephen Coward, for the prosecution, said the Richmond invented a worker called "Paul Smith", who was paid for six weeks, and then "left" when a medical check was imminent.

A second fiddle was "far more sophisticated," Mr Coward said. Richmond persuaded friends to apply for BR jobs under fictitious names, and then took half the wages they collected each week.

Richmond collected a total of £11,112, half of which went to Richmond. Mr Coward said Richmond drew £13,000 in wages because of the fiddle. The net gain to Richmond and his colleagues had been £9,000.

Jailing Richmond, who asked for 24 other offences to be considered, Judge Michael Hickman told him: "You were the architect and inventor of a scheme for milking British Railways."



Mr Alan Curl putting the finishing touches to a £55 wedding cake at his bakery in Wandsworth, London

£55 wedding cake

Britain's white economy is booming. More couples are taking the matrimonial plunge, more brides are trekking up the aisle in white and more grooms are being fed and watered at receptions. And the wedding cake has finally broken the £50 barrier (David Nicholson writes).

Those and a host of other salient facts about the state of contemporary matrimony are disclosed in a survey published today by *Wedding Day* magazine. They show, the magazine says, that true love is beating the recession.

The extent of that victory can be gauged by the finding that intending couples are planning to spend 13 per cent more on their weddings than last year. Even the increasing-

Farm aid to France 'illegal'

By John Young, Agriculture Correspondent

An agricultural wrangle between Britain and France threatened to erupt yesterday when Ministry of Agriculture officials told Commons select committee that between a quarter and a third of the latest government aid to French farmers were at first sight illegal under the Treaty of Rome.

At the same time the French embassy in London issued a statement claiming that the average Briton engaged in agriculture had received £50 more in aid than his French counterpart during this financial year.

The £50m French package was announced towards the end of last year and was immediately denounced by Mr Peter Walker, Minister of Agriculture, Fisheries and Food, as an encouragement to overproduction and unfair competition.

Mr Walker returned to the attack in Eastbourne last week when he called for action against the French Government's huge handouts to its farmers before they destroyed the whole concept of free and equal trade in Europe. France's agriculture budget was seven times as great as Britain's, although the industry was only twice the size, he said.

Yesterday Mr Jean-Baptiste Danel, the French agricultural attaché in London, said the average expenditure on a farm in France was £2,285 compared with the United Kingdom figure of £2,904.

It was misleading to quote totals because the two countries' agricultural budgets were constructed differently.

That was no lie, however, with British ministry officials, who assured the Commons agricultural committee yesterday that in their view many of the French payments were illegal.

Mr Ian Redfern, an assistant under-secretary, added that the sheer size of the package would have a serious impact on the working of the common agricultural policy.

The question of cheap supplies to Dutch horticulturists, enabling them to undercut other EEC producers, was also raised.

Mr Robin Catford, an under-secretary, said that until agreement was reached the British glasshouse industry faced a bleak future, but he was confident that action would be taken soon.

Miss Joan Maynard, Labour MP for Sheffield, Brightside, asked what was the point of increasing production when growers could not afford to buy the produce.

High tech paint check for BL

Paint quality in the car industry depends on strict and accurate control of the paint process.

But until recently this has been a long, laborious process involving manual checking and inspection.

Now BL Technology have developed a continuous electronic measuring system.

It depends on the very latest microchip technology and it monitors and records no less than 150 different characteristics as every car is painted.

Another example of high technology that helps to make the paint finish on BL cars better than ever.

BL Fighting back

Union's right to black TV series upheld by court

By Kenneth Gosling

A union had not acted unlawfully in blacking a television series made by an independent production company because it feared redundancy among its members, the Law Lords decided yesterday.

In a unanimous judgment they allowed an appeal by the Association of Cinematograph, Television and Allied Technicians (ACTT) against a Court of Appeal decision granting an injunction to Hadmor Productions against two union officials over a pop music series called *Unforgettable*.

The union said afterwards it was delighted at the outcome of the hearing. Hadmor, however, said: "This means we have lost the independent television market completely and no independent facility company can offer programmes to the network."

Mr David Heath-hadfield, a Hadmor director, said the company was considering whether to proceed with a £1.5m damages action against the ACTT. "After all the legal wrangles we have had over the past year it is not our intention to try to aggravate the situation any further. The implications for television production companies using ingenuity and enterprise to expand the television field are serious."

ACTT's appeal is the first of its kind to be given financial support by the TUC. Mr Roy Lockett, the union's deputy general secretary, said: "Having

GKN calls halt to challenge on rates

From Arthur Osman Birmingham

One of Britain's biggest industrial companies said yesterday it had grave reservations about the methods and expenditure of the Midlands County Council's economic development committee, which was set up when Labour regained control last May.

Mr Roy Roberts, group managing director of GKN, said he had been advised that some of the committee's past or proposed expenditure as shown in reports, was "questionable".

GKN was a party in a recent High Court action which quashed the county's supplementary precept of 14p in the pound and led to a cheap bus fares policy being abandoned. The company said it did not intend to challenge a new precept of 5.75p. The burden had been considerably mitigated and it was felt that a fresh challenge would cause further confusion.

Mr Roberts said: "We have been advised that in legal terms the new precept suffers from several of the same defects as the old one. In particular, there has been a failure to give consideration to avoiding or reducing loss of central government grant and a failure to take into account the county's fiduciary duty owed by the council to ratepayers."

He continued: "GKN who heartily supports any initiative which is likely to result in permanent new jobs within the West Midlands."

"We stress, however, the words 'permanent' and 'new' because we have grave reservations about whether the methods the council is adopting and the expenditure which is being incurred are likely to achieve a material improvement in the number of permanent and new jobs in the changed and fiercely competitive circumstances of the 1980s."

"The mere temporary provision by one means or another of favourable financial terms will not ensure the long-term viability of a business and we would not regard as new jobs which have in effect been drawn from elsewhere by the financial terms offered."

"We see no sign that any advantage in job creation from these initiatives has been balanced by any assessment of the consequent rate burden upon existing employers, such as our company."



Mr Geoffrey Tite, aged 26, of Buckland Newton, Dorset, with his home-made "rabbit buggy". The vehicle is too light to damage crops and can cover 1,000 acres in three hours. With his wife using the searchlight, Mr. Tite once bagged 63 rabbits in one night.

Warn rape complainants about privacy risk, academics urge

By Peter Evans, Home Affairs Correspondent

Leading criminologists involved in research into rape suggest that complainants should be warned that information they give to police officers may be used in the investigation.

They say it is unfortunate that personal information told to doctors because of the respect in which they are held should go into the "law enforcement arena".

The criticism is by Professor Gilbert Geis and Professor Robley Geis, visiting fellows at the Institute of Criminology, Cambridge, from the University of California, and Dr Richard Wright, a research associate at the institute. Their criticism is made in an updated version of an article that first appeared in *The Police Surgeon* in 1978 and is based on data obtained then.

They then found that police surgeons were divided over whether to ask a complainant of rape about her previous sexual history and pass the answers to the police.

Forty-nine per cent were in favour of finding out about a woman's previous sexual experience with men other than her husband and telling the police, but 51 per cent disagreed. Three quarters of police surgeons believed that inquiry into the sexual history of the complainant served a legitimate medical purpose.

The criminologists say: "It may be important for a defendant's case to reveal 'damaging' data about a complainant's previous sexual activities, but such disclosure could prove socially, even medically, harmful, to the woman."

"What policy are the police surgeons to follow in such matters? Is their obligation to the complainant, as a patient, or to the criminal justice system?"

Dr Hugh Davies, honorary secretary of the Association of Police Surgeons of Great Britain, said the complainant's permission was asked over the examination and for the findings to be submitted in a report to the police.

He accepted that she was not asked if anything disclosed by her might be passed on. "But an experienced police surgeon would make her aware of the possibility."

If she said that she had never had sexual intercourse before and there were signs of physical damage consistent with a girl's having been a virgin, that was evidence towards corroboration of her story.

The researchers say they are puzzled about the discrepancy between the "extraordinarily large" case load said to be handled by the police surgeons and official statistics. The research suggested that police surgeons saw three to five times more rape complainants annually than appeared in the official figures.

It may be that, as the police surgeons estimate, about one third of the complaints are spurious they write.

"The number of estimated false complaints, however, seems to us extremely high, although by the nature of the issue the matter is not readily determined."

The survey was of 128 surgeons in the association, who said they had examined during the year a total of 1,379 women complaining of completed rapes.

Kissinger worry for NHS

By Our Medical Correspondent

Dr Henry Kissinger's decision to put his trust in coronary by-pass surgery will generate a demand for similar procedures in Britain that may embarrass a financially overstretched National Health Service.

The three specialist heart units in London carry out 1,800 by-pass operations a year. There is no waiting list and selection for surgery is on clinical grounds alone.

Cardiologists outside these specialised units expect that the national picture will change when patients realise that surgical procedures can enable many angina sufferers, not helped by medical treatment, to resume work.

In the coronary artery disease the arteries supplying the heart are gradually narrowed so that the heart muscle is starved of blood, carrying the oxygen. Modern X-ray techniques enable the coronary arterial system to be outlined so that the surgeon knows the exact position of any narrowed areas.

By-pass surgery consists of by-passing those narrow patches in the three main coronary arteries. Thus there is usually a triple by-pass operation using sections of saphenous vein removed from the leg. The by-pass leads from the root of the aorta to the far side of the affected artery.

The operation is comparatively safe, but the mortality varies enormously from hospital to hospital and can be directly related to the number of operations performed by the surgical team. In the best hands in the United States mortality is less than 1 per cent, but even if those figures could be universally achieved it is not an operation undertaken lightly.

Most cardiologists in Britain believe that it is essentially a palliative operation for the relief of angina or other symptoms that cannot be helped by medical means.

It is apparent that in suitable subjects about 90 per cent find that their symptoms are considerably improved and are able to resume a nearly normal life. The advantages gained by surgery become less marked after about five years when coronary arterial disease is apt to recur.

Statistics have indicated until now that although the quality of life is improved for the patient the treatment does not prolong his life. However recent results indicate that there may be some slight improvement in life expectancy as well.

An operation in a private unit, allowing for a three-day intensive care, would cost not less than £10,000.

That money would be refunded by the medical insurance firms to those who have private cover, but the private sector would not be happy to see such surgery being available only to the rich or the insured.

Rebuff for critics of judges

By Richard Evans

Mr Patrick Mayhew, Minister of State at the Home Office, yesterday defended the training of sentencing judges, after criticism from MPs.

The clash, during the committee stage of the Criminal Justice Bill, came after Mr Alexander Lyon, a deputy circuit judge, and former Labour Home Office minister, said sentences were often based on the current view in a "bar mess" and benches worked within "tariffs" that they knew would be allowed by the Court of Appeal.

No one on the criminal bench at whatever level, he said, should sentence anyone before he had six months' experience as a magistrate or judge. "They should be taken round police establishments and subjected to the information which is available, so that they know it is not necessary to do high tariffs in order to do justice to the prisoner and the public," Mr Lyon said.

Mr Edward Lyons, SDP MP for Bradford, West, and a QC, said training was not sufficient and he criticized the judges' lack of knowledge of modern penological thought.

Mr Mayhew, however, said judges knew much more about sentencing than the two MPs had suggested.

"Today every newly appointed deputy circuit judge, before he first sits, spends a period of time, normally between five and ten days, sitting in a court with an experienced circuit judge."

"The precise time is decided by the presiding judge. He visits a prison and a borstal institution receiving offenders from the court at which he will be sitting, and a probation office. He attends a residential seminar, which includes one day of visits to prison establishments. This is taken extremely seriously, as it deserves to, and as the seriousness of the subject demands it should be."

He said that each year about sixty-five experienced circuit judges and two hundred deputy circuit judges were invited to join a three-and-a-half-day residential judicial seminar that was also attended by newly appointed High Court judges. "While attendance is not obligatory, on practice, invitations to those newly appointed judges are almost always accepted and when they are declined they renewed the next year," the minister said.

The position on training was far more reassuring than allowed for by Mr Lyon and Mr Lyons.

When Mr Lyon asked Mr Mayhew to name another country where judges "got such inadequate training", the minister replied that in many countries one rose through the judicial ranks according to how one kept one's "nose clean with the government of the day. I would not wish us to depart from our procedures at all."

Action to end civil law waste is urged

By Frances Gibb

An urgent review of the civil legal system to identify those aspects causing avoidable delay and unnecessary costs is urged by the Law Commission.

A new body should be set up to draw up proposals for immediate improvements and radical experiments to save time and money, the commission says.

It notes that over the last year there has been considerable comment on the civil procedure and on the delay and expense in the system. Some criticism has been intertemperate and informed, but much has been fair, moderate and accurate," the commission says.

The Royal Commission on Legal Services in 1979 recommended that civil procedure be kept under continuous review and said that the Law Commission, suitably expanded, might perform that duty.

But the Law Commission felt the task called for a new body designed for the purpose. "Civil procedure is potentially a subject of almost limitless scope," it says, "and there was no early prospect of the commission being expanded."

Any new body must first undertake a general reappraisal of the civil procedure, its rules and the various assumptions on which it rests.

A second and "much more urgent" task was to identify the parts causing delay and expense and to draw up improvement plans.

On the Government's delay in implementing the commission's proposals for law reform, the commission

urges the Government at least to make a statement of its support or otherwise for the proposals.

It would help, it says, if the Government could state in Parliament within a reasonable time its general view of the acceptability and/or financial practicability of at least major proposals by the Law Commission or other official bodies.

In the past year the commission has published proposals for law reform of breach of confidence, replacing the common law with a new tort of breach of confidence, and on the financial consequences of divorce, which would be replaced by legislation to be amended to make children's needs an overriding priority.

Research undertaken for the commission in the last year included a study on the use of judicial separation proceedings which, the report says, is likely to be of wider interest both to the Home Office and the Lord Chancellor's Department. The study has shown that most petitioners for judicial separation are women who start the proceedings as a short-term measure pending divorce, rather than as an end in itself.

The commission's current wish includes reform on civil procedure, the law of public order and binding over to keep the peace. It expects work on the codification of the criminal law to be complete in five to seven years.

The Law Commission Sixteenth Annual Report 1980/81 (Stationery Office, £4.40).

Church said to be acting too much like a sect

By Clifford Longley, Religious Affairs Correspondent

The tension between Parliament and the Church of England over the use of the Book of Common Prayer in 1981 was part of a more general dissatisfaction among politicians that the church was becoming too political, and behaving like a sect, according to a new survey of the 1982 Church of England Year Book published today.

The preface, an annual comment from an unidentified senior churchman, says Mr John Stokes, Conservative MP for Halesowen and Stourbridge, was summing up a widespread feeling when he remarked: "The bishops of the Anglican Church seemed more concerned with promoting vague and general social issues, instead of insisting on personal holiness and the highest standards of personal conduct for Christians."

That is linked with another general complaint, that the church, while remaining the church of the country, behaves increasingly as if it were a sect, concerned with the interests of the regular churchgoers rather than with the wider body of people who number themselves among its members.

Those feelings fuelled the anger of those in both Houses of Parliament who voted for a Bill to reinforce the use of the Book of Common Prayer and reverse the trend towards the new Alternative Services Book.

"There was speaking in both houses of exceptional bitterness; in the House of Lords, in particular, the bishops were subject to a degree of vilification and

abuse unusual in that house and untypical of it."

The preface comments that it is understandable that the church should be at odds with some party politicians on matters such as relations, aid to the Third World, and unemployment. The prevailing mood in the church is still "Butskellite", whatever has happened to Parliament.

The prayer book quarrel taken by the House of Bishops in the General Synod to steer the church towards greater use of the Book of Common Prayer, it said, and the Prayer Book Society, which was responsible for the issue being raised in Parliament, were reluctant to press the point to the extent that disestablishment would become a popular cause in the church.

The preface also contains a warning that the visit of Pope John Paul II in May could, if badly handled, bring to a crisis the relations between the church and the Roman feeling which lies not far below the surface in many people who would never subscribe to the Protestant societies. That would be an ecclesiastical disaster, the preface says.

It is difficult for Continental Roman Catholics to understand how sensitive are the issues when the Pope visits a country with an "historic folk church" in communion with him, but confident of its identity as "the Catholic church of this land". It would be wrong to expect too much from such a visit, but Anglicans should not begrudge Roman Catholicism the "festas", the preface concludes.

Virus link found with cancer

By Annabel Ferriman Health Services Correspondent

A common virus which causes sore throats and eye irritation has been found to transform ordinary human cells into cancer-type cells in laboratory work at Birmingham University.

Scientists there have not yet published their results but think their work on the adeno virus could have significant implications. If some human cancers are found to be caused by a virus, a vaccine could be developed, they say, or if the mechanism of the virus could be discovered, a drug to block its action might be produced.

Professor David Harnden, head of the Cancer Research Campaign's department of cancer studies at the university, said his work at the seminar organized by the campaign in London yesterday. He said that until recently viruses were thought to cause cancer only in animals, but work on Epstein Barr virus and on human "T" cell leukemia indicated that they might also cause human cancers.

When human cells in his laboratory had been injected with the adeno virus, which had long been known to cause cancer in animals, they had been transformed into cells with the properties of cancer cells, he said.

Professor Harnden added that cancer, which kills one in five British people in a group of diseases, rather than one disease, and has a range of causes and possible cures.

The seminar brought together members of the 500 Group, a newly launched group of businessmen who aim to raise £1m from industry and commerce to provide a new building for Professor Harnden's department.

So far 85 companies have joined the group and pledged £250,000. The group is looking for 415 more companies with each promise to raise £2,000.

The money is being raised by the staff of the companies concerned through raffles, sponsored walks, discotheques and other social events. Companies who have joined include British Home Stores, Sainsbury, British Caledonian, Associated Biscuits, Austin Reed, Kyle Stewart and JCB Materials Handling.

Defence staff chief to have bigger role

By Henry Stanhope, Defence Correspondent

The position of the Chief of Defence Staff (CDS), Britain's most senior serving officer, has been strengthened in accordance with plans disclosed three months ago.

He will continue to represent the views of the other chiefs of staff to the Secretary of State for Defence. But in future his primary responsibility will be to give the minister his "neutral" opinion as the Government's leading military adviser.

Mr John Nott, the Secretary of State for Defence, made known his intentions when appearing before the Commons Defence Committee in November. Now he has written to Mr Cranley Onslow, Conservative chairman of the all-party committee, confirming that the plan has been effected.

Ministry sources have been anxiously paying down the importance of the changes, describing it as only a shuffling of emphasis, for fear of worsening morale among the Services.

Until now it has been left to the CDS to determine how far he should present his own view and how far he should act as spokesman for all the chiefs. A strong CDS such as Lord Mountbatten of Burma tended to express his own independent opinion with some force.

More recent officers in the post, now held by Admiral of the Fleet Sir Terence Lewin, acted more like a chairman.

Now every CDS will be expected to follow the Mountbatten model.

The change is significant because it will be seen as another step to strengthen the power of "the centre" over the single services in the ministry, although the other chiefs of staff will retain all their old rights, including access to the Prime Minister if they wish.

Previous Defence Secretaries have tried to achieve that, without conspicuous success. Mr Nott's position has already been strengthened by Mrs Margaret Thatcher's decision last summer to scrap the single Service junior ministers.



Admiral Sir Terence Lewin: Will have more power

Newspaper 'insensitive' to victim

The East London Advertiser has been censured for publishing the name, age and address of the victim of an indecent assault, in an advertisement published today by the Press Council.

Upholding a complaint by a woman in Stepney that these details should not have been given, the council said the newspaper's conduct was grossly insensitive and could cause her further distress.

After the Advertiser's report gave details about the woman and the assault, she wrote to Mr Robert Hutchins, the editor, saying that it was irresponsible to give the details and insensitive to her to have her name in the paper.

She demanded an assurance that the staff would not print names and addresses of sexual victims without their permission. She also complained to the council that the report endangered her because her assailant was not caught.

Mr Hutchins said the complainant was in no position to demand assurances on collecting and publishing news.

The complainant told the council that publicizing her personal details intruded into her private distress. The report came from confidential informants at the police station, she said. It lessened public confidence, invited the imposition of controls on press freedom, and discouraged local people from reporting crime to the police.

The editor said publishing the victim's name and address was the Advertiser's practice. They had no access to confidential police information.

The council's adjudication was:

The East London Advertiser's publication of the name, age and address of a woman cyclist, it reported as having been indecently assaulted by an unidentified youth was grossly insensitive and calculated to cause the victim further distress.

Its editor's explanation to the Press Council that the publication was in accordance with his paper's usual practice is a matter of concern to the council. It finds the publication to have been a lapse from acceptable press standards.

The embarrassment of such publication is likely to deter women from reporting crime of this type and should be, and usually is, avoided by newspapers.

POWER STATION HITCH

Machinery at the new £400 underground power station at Dinorwic, in North Wales, overheated during commissioning tests and is being rebuilt.

The setback to this unique scheme, built in a mountain, was described last night by Mr Iorwerth Ellis, the project manager, as disappointing, but he said allowances had been made in the construction for technical difficulties because the generators, the largest of their type yet built, were assembled in position and they could not be tested beforehand in the factory.

The equipment which overheated was the first of six large generators to come into service is a pumped storage project.

£80,000 for pillion rider

Miss Jayne Sharnan, aged 21, a hairdresser, of Rye Road, Brighton, a pillion passenger who suffered brain damage in a road accident, was awarded £80,000 agreed damages in the High Court in London yesterday.

She sued Mrs Dorothy Sneddon, a motorist, of Queen Alexandra Avenue, Hove, over the accident in January, 1978.

مكتبة من الأصل

From Tewfik Mishlawi, Beirut, Feb 11

A map of Syria and Lebanon. Major cities labeled include Aleppo, Hama, Homs, Latakia, Quteita, and Damascus. A scale bar indicates 100 miles. An inset map shows the location of Syria within the Middle East.

By David Cross

Hundreds of thousands of supporters of the Ayatollah Khomeini yesterday celebrated the third anniversary of the revolution which overthrew the Shah of Iran with demonstrations, prayers and sports events in Tehran and other Iranian cities. In a message to mark the occasion, the Ayatollah said the Government was more powerful now than at any other stage of the revolution.

In a fresh series of moves designed to wipe out continuing opposition to his rule, Revolutionary Guards were ordered to have ready to hand lists of names of all hide-outs of several leftist guerrilla groups and to have made an undisclosed number of arrests earlier in the week.

In London, Iranian supporters of the late Shah commemorated his fall from power with a parade and a parade of Communist wealth.

The institute, up to four hundred sexiles, interminably shouting anti-Khomeini slogans, watched as a series of photographs of tortured and executed former generals, politicians and other opponents of the Khomeini regime flashed across the screen.

The pictures, which were recently smuggled out of Iran from Government files, showed the faces of the dead, many of them horribly disfigured and with what appeared to be cigarette burns.

The photographs were apparently taken by the Khomeini regime to be used as proof of the deaths for relatives.

Tehran radio said that millions of demonstrators had converged on Tehran's Azadi Square. But Tehran residents contacted by telephone from London, estimated that only between 40,000 and 45,000 soldiers and Revolutionary Guards, had turned out to demonstrate their support for the ayatollah.

**From Christopher Walker
Jerusalem, Feb 11**

The Israeli High Court has upheld the military Government's practice of seizing "state lands" in the occupied West Bank, the main tactic now being used to create Jewish settlements and to expand those established.

The judgment yesterday was given in response to an appeal by Palestinian villagers against recent land confiscation. Diplomatic observers regard the verdict as marking the final stage in the attempt by West Bankers to use the High Court and Israeli law to curb expansion of the settlements.

Justice Meir Shamgar, in a written judgment, also sanctioned the status of the three-man military advisory committee which is charged with reviewing claims of local Arabs who challenge land confiscation by the military.

Most land in the area has not been adequately surveyed and parcelled out since Turkish rule ended in 1917, leaving large areas registered under the name of their practical owners. These people enjoyed unlimited, traditional use rights under the old Ottoman system, while nominal ownership remained in the hands of state officials.

The Israelis have been relying on "state land" to increase settlements since October 1973, when the High Court ordered the dismantling of the settlement at Elon Moreh because it was on private land for political reasons and for security reasons. First, it is declared "state land" by the military Government and then seized from its practical owners even if it is under cultivation.

Amman: Mr Casper Weinberger, the United States Defense Secretary, discussed increased military cooperation with Jordan during his second day of talks here with officials (AFP reports).

By George Clark
European Political
Correspondent

Correspondent
Mrs. Margaret Thatcher moved swiftly yesterday to endorse the election of Sir Henry Plumb, the former president of the National Farmers' Union, as the new leader of the European Democratic (Conservative) group in the European Parliament.

in London. At a group meeting in London, the Conservative MEPs decided by a large majority to have Sir Henry, who is the acknowledged leader of the Conservative MEPs, to stand for the coming two and a half years of the European Parliament's term of office in place of Sir John Goplen, who is another former and MEP for Hereford and Worcester, after Mrs Thatcher had appointed him as the leader of the British Conservative Party.

There were three candidates yesterday. According to some members present, the result was: Sir Henry, 36 votes; Sir Goplen, 23; and Fred Catherwood, the former director-general of the National Economic Development Council, 11. This would mean that three Conservative MEPs were absent or did not vote.

Mrs Thatcher quickly resolved a constitutional dilemma. It was always possible that the European Democratic group, made up of 60 British Conservatives, one Ulster Unionist, and two Danish Conservatives, could elect a European leader whom Mrs Thatcher would not consider the best person to lead the British contingent of Tories.

But it was already known that she would be willing to

approve Sir Henry's appointment which could be of much significance in the next two years during the battle that the British Government is waging on a fundamental restructuring of the EEC budget.

After his election, Sir Henry assured the group that his main preoccupation would be to transform the European approach to the economic crisis and to the Community's total of 10 million jobless.

He pledged himself to work with Sir David Nicolson, MEP for Central London, and others within the European Parliament and outside it, to induce the European Commission and the Council of Ministers to adopt a common strategy for industry and for measures to combat unemployment.

He told me earlier that, putting across political allegiances, he believes that the MEP's are facing a test of credibility.

In a letter asking for

support in the election, Sir Henry urged that the Conservative group should create new institutional links with the 117-strong Christian Democratic group under its new leader, Signor Paolo Barbi, of Italy, and also with the Liberals who, in the European context, are closer in their political views to the Conservatives than any other group. Where appropriate, the group would also work with the European Progressive Democrats, mainly Gaullists.

**From Nicholas Hirst
Washington, Feb 11**

Mr. Joseph. Canzeri has resigned as a White House aide after disclosures that he borrowed \$400,000. (£216,000) at low interest rates and put two claims for the same expenses.

An executive assistant to Mr Michael Deaver, White House deputy chief of staff, Mr Canzeri said he left his post to save the President any embarrassment.

"I firmly believe I did nothing wrong, improper or incorrect", he said, but added that he did not want the President "bruised or blackened" by anything he had done.

Mr. Canzani, a campaign worker and long-time associate of Mr. Nelson Rockefeller, Vice-President during the Ford Administration, had borrowed \$400,000 from Nelson's brother, Laurance Rockefeller, and Mr. Donald Koll, a California property developer, at less than market rates.

The question Mr Canzeri would have had to answer had he stayed in his job was whether it was ethical for him to have taken the cheap money, and whether it amounted to a supplement to his official salary from outside sources that created a conflict of interest.

**From Adam Edwards
Newport, Rhode Island,
Feb 11**

Defence lawyers representing Claus von Bulow, who is charged with trying to kill his wife with insulin injections, are challenging state evidence on the level of insulin found in Mrs Martha "Sunny" von Bulow's blood after she was admitted to hospital in a coma on December 21, 1980.

The defence is attempting to persuade the jury that the extremely high level of insulin discovered was found in a blood sample taken after Mrs von Bulow had been injected with glucose at the hospital.

Mrs von Bulow has been in an irreversible coma since then.

Mr von Bulow, a former London barrister, has two lines of defence. The first is that if his wife's coma is from insulin it was self-induced by over-indulgence in drugs, alcohol and sweets. The second argument is that a barbiturate and aspirin overdose made her dizzy so that she fell and became comatose from the cold bathroom floor and possible internal head injuries.

But Dr. Gerhard Meier, the first person to treat Mrs. von Bulow, said no alcohol was found in her blood and the level of barbiturate and aspirin discovered was unlikely to induce a coma.



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Sir Keith Joseph, Education Secretary, replies to Robin Marris's open letter protesting against cuts in higher education

My cash offer to the universities



DEPARTMENT OF EDUCATION AND SCIENCE
ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7FH
TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

Dear Professor Marris,

I welcome the opportunity to reply to your open letter in *The Times* of February 5. The bulk of your letter is based on the total misconception that ministers have said "The universities must be cut because they are not cost-effective". This is not true. Ministers have not said this publicly or privately.

My predecessor and I have been well aware of the relative cost-effectiveness of British universities confirmed by your figures. But it is possible for the universities to become more cost-effective still and that is what, in present economic circumstances, we have asked of them.

Your letter recognizes that "periodic shake-ups are desirable" and I am sure that in many subjects, after decades of growth, there is scope for rationalization within and between universities.

You recognize the need to restrain the growth of public spending "if only because", you write, "in this country the public sector has now become the main engine of inflation". There is obviously much common ground between us.

The Government has protected some large sectors of public spending — defence, the health service, police and retirement pensions. Such decisions are for what politicians are for, and these are priorities that are very widely respected. It follows that in order that overall public spending should, as you and I agree, not increase excessively, other areas of public spending must be restrained.

That is why provision for the universities, and higher education generally, has had to be held back, not any of the arguments which you advance in the early part of your letter to give yourself the pleasure of elegant rebuttal.

Though good universities are jewels in our national life, I do not accept your correlation between the number of graduates — in all subjects or only in some — and national well-being. Nor do I think that your suggestion that I should maintain the cash cuts while letting individual universities determine their own response is sensible. That would be an easier position to defend if universities were financially independent — as I heartily



wish they were, at least in part. But in terms of the deployment of scarce public money, would it really be sensible, just when we have set up the new National Advisory Body to advise on planning in the diffuse local authority sector of higher education, to destroy all attempts at planning in the university sector?

When the Government proposed the savings now implemented in the university sector the University Grants Committee took the view that the new level of resources proposed must lead to some reduction in student numbers if quality and, in particular, research capability, were to be protected. The Government concurred in that view.

A "free for all" — on the taxpayers' money — would

simply give us a university system which was the random outcome of decision-making at more than 50 individual institutions. Individual universities left to their own devices would be tempted to admit students where they could do so most cheaply, while the UGC is now considering about a shift in the balance within the university system as a whole towards more expensive subjects like engineering and technology.

I am sure that this is right. We do not want just a cheaper university system, but an even better one. That being said, however, the UGC is now considering the detailed plans of individual universities and it is in that context that it can consider what flexibility in student numbers is desirable and appropriate.

You ask me to deny the suggestion that if a group of academics accepted a voluntary salary cut I would merely reduce the grant to that institution *pro rata*. The grant to individual institutions is, of course, determined by the UGC and not by me. But I can nevertheless make a constructive response here.

First, I can say that if, nationally, university teachers sent for less than four per cent in the current academic year, I will guarantee that the cash to be made available to the universities will not be reduced because of this.

Second, I can say that if academics at a particular university decided to take less than the nationally negotiated rate as a contribution to their own university, I understand that decision and would not claw back the money from the university concerned.

I agree that student maintenance grants are one of my most difficult problems. But I do not think I can be accused of cowardice in my attitude to them, given that the standard award is to increase by only 4 per cent in the next academic year and that a greater share of the total will fall to be found by parents.

To have treated awards more harshly, as you seem to recommend, might or

might not have cost votes, but it would certainly have made it more difficult for the child from the less well-off home to contemplate entering higher education.

On the other hand, if institutions of higher education are allowed to pack in as many students as they wish, they impose a burden on the taxpayer and ratepayer far beyond the cost of their tuition fee, which now covers only a fraction of the cost and is to be reduced in the autumn. That is why the resources available for higher education as a whole have to be seen as a package which includes student maintenance as well as support for institutions.

If, as I hope, it proves possible to develop a partial system of student loans, this burden may be eased. But in the meantime your thinking on this issue is as muddled as your metaphors.

Finally, you, as a Professor of Economics, dismiss the published comments of one of your own colleagues apparently because he is "an expert in dentists' materials". It was Keynes who wrote — the last sentence in *Essays in Persuasion*, 1931 — "If economists could manage to get themselves thought of as humble, competent people, on a level with the rest of the world, that would be splendid".

Yours sincerely,
Keith Joseph

David Watt

Why Reagan's defence spree threatens the West

President Reagan's first year in office, celebrated three weeks ago, produced a spate of comments and articles in Europe in which relief and even admiration were much in evidence. I even wrote one myself in another place. One might still not be too happy with some of the old boy's rhetoric, but at least he has shown consistency, a consummate mastery of public relations, and an unexpected willingness to modify his campaign promises in the light of experience and even to listen occasionally to his European allies. And what a relief to have at last a President in Washington again who could command some assent in the Congress.

We spoke too soon. Mr Reagan's second budget, announced at the beginning of this week, is a major calamity, not just for the United States but for the West as a whole and even for the world.

That may sound excessively dramatic, and indeed there are bound to be people around, including Mrs Thatcher for all I know, who believe that a sudden prodigious increase in defence spending, combined with low taxation, vast deficits and sky-high interest rates, is just what the free world needs from its leading economy at the present. But in the mind of anyone who believes, as I do, that the state of the world economy is

a more pressing threat to our way of life and to peace just now than the Soviet Union, the President's latest effusion must produce dismay bordering on despair.

Of course Mr Reagan is in a difficult spot. He wants, like every political leader, to combine the virtually incompatible achievements of high economic growth, stable prices, and a balance-of-payments surplus. But instinct, ideology and a lot of public promises to his conservative constituents also commit him to a vast boost for military expenditure "to meet the Soviet challenge" and large personal and business tax cuts to help restore dynamism to the American economy.

Mrs Thatcher, who came into office two years earlier than Mr Reagan, with almost exactly the same ideological issues in her head and words in her mouth discovered after some preliminary thrashing around that the show could not go on as advertised, and prudently tightened her fiscal policy, redoubled her assault on public expenditure and modified her ambitions for defence expenditure. She is left with three million unemployed and an indefinite prospect of very low growth, but at least she can just about make her economic strategy sound coherent, even if it does not inspire much confidence or enthusiasm.

The President cannot offer anything of the kind. He is sticking grimly to his defence budget and to the tax cuts he pushed through last year. This means either greater expenditure cuts elsewhere in the US government budget, or huge government borrowing. If he goes for budget cuts he runs straight into the brick wall of a Democratic House of Representatives determined to save welfare programmes; if he goes for the second route, he runs into the lofty figure of the independent chairman of his own Central Bank who is determined to hold down inflation and will therefore make him drive interest rates to levels that will knock economic recovery on the head as soon as it gets underway.

The mischief, political as well as economic, that is likely to flow from such a distortion can hardly be computed. For the United States it means a prolonged and bitter struggle between the White House and Congress, continued high unemployment and, because the President will presumably get some of his way on expenditure cuts, renewed trouble among the black and Spanish-speaking minorities at the bottom of the economic heap. For western Europe, which cannot realistically hope to decouple its economies from American interest rates, it means a

sharp brake on recovery and indefinitely poor prospects for exports to the United States (which is serious also for the developing countries).

More important still, it will greatly sharpen political differences within the western alliance. American public opinion, suffering for the sake of security, is likely to be even more strident in its demands for increased European defence expenditure, and European public opinion will be even more resentful and defensive at American pressure. It is difficult to imagine a more promising recipe for protectionism and dissension.

Is there any hope that this grim chain of consequences can be avoided? The President's "supply-side" economic theories (which have, of course, an ironically Keynesian ring about them) predict that his tax cuts will generate the savings necessary to offset the effect of government borrowing. He also sets considerable store by his ambitious plan to off-load large quantities of federal responsibility (and therefore expenditure) to the individual states.

But the psychological apprehension induced in the minds of the orthodox American business community by the vast deficits looks like defeating the first strategy, and the incompetence and corruption of much state

government in America will eventually frustrate the second.

Unless therefore one makes the utterly fantastic assumption that the Congress in a mid-term election year will reinstate taxes against the President's wishes, or the not much less implausible assumption that it will make even greater cuts in welfare programmes than the President is asking for, there is only one thing left to "give" — defence spending.

The enormity of what Mr Reagan is proposing can be judged by the fact that the increase of \$43,700m (about £23,000m) in the spending authority he is asking for is itself larger than the entire German defence budget and not far short of the British one. And, as so often when a great deal of policy like this is involved, a lot of the new spending is of very doubtful value.

The modernization of the strategic nuclear forces is obviously necessary, and a priority which, in the absence of further disarmament agreements, only wholesale unilateralism would cavil at. Equally, expenditure on the equipment of the United States Army is urgently needed. But the large capital ship-building programme now to be put in train to "establish a clear margin of naval superiority" over the

Soviet Union, and the determination to spend vast quantities on air-lift and sea-lift forces proceeds from inter-service politics (the Republicans traditionally back the Navy) and a view of the Third World and of the efficacy of military intervention, in it that is highly arguable.

Even *The Washington Post* (not these days noted for its laudableness) points out that in practice all the recent trouble spots — Afghanistan, Iran, Poland, El Salvador — have been "complicated" in ways that made irrelevant the kind of forces that America has at its disposal.

But even if there were no great doubt about the appropriateness of the defence spending, the question of priorities hangs over all. President Eisenhower in a radio speech in May 1953 told the American people that the Soviet strategy was to "force upon America and the free world an unbearable security burden leading to economic disaster". He was determined that should not fall into that trap. It would be one of the great ironies of history if the "crisis of capitalism" so long predicted by the Marxists were to be brought about, after all, by a Republican President attempting to initiate and pursue Soviet military expenditure.

Alfred burns cakes — latest

The final, one-star, City edition of the earliest English newspaper is about to be published 11 centuries after it was first written. That makes a striking intro, especially if we can insert the assertion that King Alfred used it to publish all the news about his victories, and Lady Winifred (The Lady of the Lake), and the cakes, etc.

To put the matter dead soberly, we are at last about to get the first comprehensive edition of the first work in English prose.

The Anglo-Saxon Chronicle is the beginning of English history, giving an almost contemporary record of events for about 500 years. It is the pristine source of English language and literature. In Fleet Street terms, it is in parts quite a good read: plenty of violence, not a lot of sex. There are vivid passages about the struggle with the Danes at the end of the ninth century, and the misery of the common people during the civil wars of the reign of Stephen.

The Chronicle is a palimpsest of many stocks, sources, poems and manuscripts, and ghostly oral traditions. In places you realize with a start that you are listening to an eye-witness across the gulf of time. Here is the first character sketch of an English king: "He was very wise, and very powerful, and more worshipful men and stronger than any predecessor of his had been. He was gentle to good men who loved God, and stern beyond all measure to those who resisted his will. Amongst other things, the good security he made in this country is not to be forgotten — so that any honest man could travel over his kingdom without injury with his bosom full of gold". Duke William, natch.

The trouble is that the text of this backbone of English history is in a preposterous mess. The manuscripts are complex, altered, and scattered. Some have never been published, others are long out of print. The sole edition of one important manuscript, since burnt, was published in 1643.

If you are working on the Chronicle, and need to check an ambiguous statement or a disputed date, you have to dart around the country from

Corpus Christi Library in the Bodleian, to the British Library, and if you are going in for the continuations, as you jolly well should, to such foreign parts as Dublin and Ghent.

It is no small glory to send in Corpus Christi Library while the learned librarian undoes the triple locks, and then to touch Matthew Parker's manuscript of the Chronicle, which was probably written at the command of King Alfred. But it would be inconvenient for everyone to do it too often.

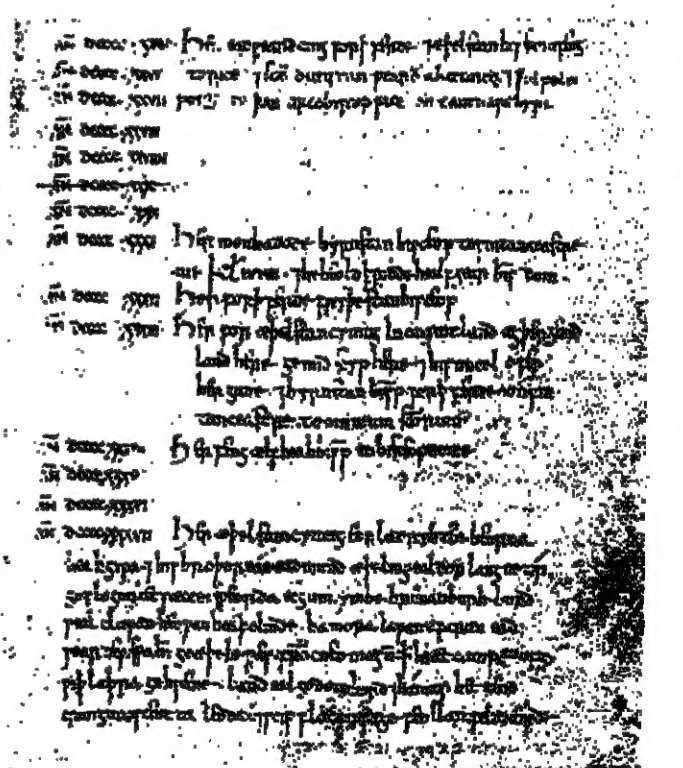
Now at last, after 1,100 years, a comprehensive edition of the Chronicle and all its texts and additions is about to be published by the admirable academic press of Boydell and Brewer. The Brewer of the first is the Master of Emmanuel and Reader in Medieval English at Cambridge. David Dumville and Simon Keynes of the Department of Anglo-Saxon, Norse, and Celtic at Cambridge are supervising an international team of editors.

First there will be semi-diplomatic editions of the seven extant individual manuscripts. A diplomatic edition means that you are very polite to your author, and do not alter a jot or a tittle, or to be exact, a thorn or awynn, or an abbot. Semi-diplomatic means that you are pretty respectful, expanding contractions and introducing modern punctuation, but otherwise leaving your text intact.

Next will come the opposite of diplomatic (Genghis Khan, I suppose) critical editions and recensions of the two principal chronicles, the Common Stock, and the "Northern" Chronicle. Then will come the "continuations" and associated self-contained chronicles, relevant Latin texts, and lots of misc vols.

The first separate published edition of the manuscript known broadly as B leads the way this spring. In all 23 vols will thump off the presses over the next ten years, with the sound of academic Housecarles laying about them with axes from the shield ring. It is a majestic publication that will illuminate the roots of the English people and the beginnings of our language.

Philip Howard



A page from the manuscript of the Anglo-Saxon Chronicle in Matthew Parker's Library at Corpus Christi College, Cambridge, photographed for *The Times* with the permission of the Librarian. It shows the entries for the years 925-937. The paragraph at the bottom is the poem on the battle of Brunanburh, where Athelstan beat an invading force of Norwegians and Scots. In bookish jargon its exact description is: CCCX M 173, fol 26 recto, but it is more exciting than that sounds.

Where have all the translators gone?

It is nice to know better than George Cunningham, Independent MP for Islington South and Finsbury, but the Canada Bill, which seeks to repatriate the Canadian constitution, really is not the first bill ever introduced in the Commons in two languages.

In the middle ages legislation was variously in English, Latin and Norman French, and official translators were retained until the end of the fifteenth century. More recently there have been bills with at least some words in Welsh.

Cunningham is right, though, in supposing that there are no translators in the Commons now, and this is among the points that Speaker Thomas has agreed to ponder on his behalf.

The last word

In the debate into whether Stanley Baldwin should have a statue in the House of Commons, Virginia Woolf had the first word. Perhaps it could also be the last. In her essay *The House of Commons*, referring to Prime Ministers, she wrote: "how... are any of these competent well-groomed gentlemen going to turn into statues? For Gladstone, for Pitt, or for Palmerston even, the transition was perfectly easy. But

Catholic choice

They are ringing the changes at the *Catholic Herald*. Daniel Counihan, the paper's editor of the last six months, is to stand down in favour of the Hon Gerard Noel.

For Noel, a director of the *Herald* and the paper's editor-in-chief, this is a second spell filling the breach. He is also the paper's last editor but two.

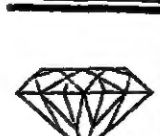
Prime qualification for the job, is the ability to get on with the paper's whimsical managing director, Otto Herschman. Counting Noel twice, the *Catholic Herald* has had eight editors in the last seven years.

Women are to take an even more prominent role at a future rugby match than Erika Roe did at Twickenham at the beginning of the year. On February 21 in France, the University College Ladies rugby team from London is to play what is believed to be the first women's international fixture at the game. They will be playing the ladies of Pontaise.

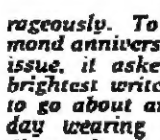
Getting the bird

Operation Countryman, the police inquiry into allegations of corruption in the London forces, has now produced its own specially-designed tie.

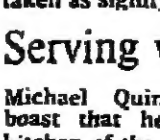
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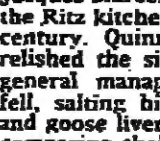
That most reputable of women's magazines, *Good Housekeeping*, which has a sound reputation for sensible advice, has been behaving outrageously. To celebrate its diamond anniversary in next month's issue, it asked Sue Arnold, the brightest writer on *The Observer* to go about an ordinary working day wearing £100,000 worth of diamonds.



The motif shows a swooping eagle shrinking in horror from a field mouse. The little animal, representing Countryman, has two little fingers raised in a gesture which may or may not be taken as signifying victory.



Serving wide Michael Quinn's ill-considered boast that he would take the kitchen of the Ritz Hotel in glory as his first English maître chef de cuisine was put to the test yesterday.



The self-proclaimed prodigy prepared a farewell luncheon in honour of his predecessor, Chef Jacques-Marcel Viney, who ruled the Ritz kitchens for quarter of a century. Quinn would not have relished the sight of the hotel's general manager, Michael Duffell, salting his fresh asparagus and goose liver, or of two guests comparing their breasts of duck, one all pink, the other all brown.

Mrs Arnold, being half-Burmese, is both delicious and diminutive. On her nobody could have failed to notice the rocks, and the temptation for some opportunist to grab a handful could have been irresistible.

"I had a big bodyguard who wanted me to take the lot off every time I went to the loo, and who tried to draw the line at going to the district tube", Mrs Arnold told PHS. "I told him not to be so silly."

Quinn's culinary efforts might have been better appreciated if more of the food had been served on the plates and less on the clothes.

PHS was on the receiving end of a cuff-bit of salad dressing and a misdirected pat of butter. His neighbour was flecked with glazed sauce from the dessert. The neighbour may have been lucky: the sauce according to the menu should have been hot, but was in fact stone cold.

Chef Viney's verdict: "He has to walk before he can run. He has his work cut out if he is to overtake the work of French chefs over 70 years."

Money for Michael As Eric Heffer said after Michael Foot's stormy meeting with fellow European socialists in Brussels on Wednesday: "He did not come here to be insulted." So it is pleasant to report that there

was some consolation for the poor old fellow at a meeting of the European Labour Group, composed largely of Eurocrats.

They sportingly passed the hat — the fur hat of Janey Buchan, MEP for Glasgow — round on his behalf. It collected about £150, which is to be spent in the campaign against Roy Jenkins in Hillhead.

The SDP, though, raised £400 at a Brussels kilts and pipes evening on Tuesday, at which items auctioned included a picture of Jenkins complete with claret bottle.

Stage fright The first-night audience at the Coliseum for David Pountney's otherwise elegant and suave production of *Flying Dutchman* were, taken aback when the Dutchman's crew scattered the Norwegians in disarray. The combat produced a shower of naked plastic dummies from the flies of Jenkins, there like so many warlocks. This fundamental reinterpretation of Richard Wagner left people wondering what on earth, or in heaven, was going on.

Fateful move The Hon David Lytton-Cobbold is evidently the bulldog breed. Lytton-Cobbold is the proprietor of Knebworth, the fifteenth-century pile near Stevenage, lately the home of pop music festivals.

Lytton-Cobbold is defying the fates in agreeing to make Knebworth the site this July of the Capital Radio Jazz Festival.

For the first time worshippers at a Jewish synagogue are to recite a prayer in Welsh. Rabbi Kenneth Cohen of the Cardiff New Synagogue learnt the Welsh translation of the prayer, which is to be used for the first time tomorrow, from a cassette tape.

Varsity legend

One of Cambridge University's great characters, Albert Jaggard, was until recently head porter of Corpus Christi College. Jaggard retired last April, but he does not leave the college office where he had the death of an undergraduate after a rugby game. Jaggard had been spongerman, ballboy, dressing room doorkeeper and ground manager to the varsity rugby team for more than 30 years.

A firm of public relations consultants claims to be waging war on "management by obscurity" with a leaflet called *Saying what you mean*. Boasting about it in a press release the firm says: "What we are trying to do with this paper is bring a little integrity back into communications". PHS must leave you to work out what that means.

Zia shuffle Agha Shahi, President Zia of Pakistan's astute Foreign Minister, has fallen from grace and is about to be replaced by the more amenable General Sahibzada Yakub Ali Khan, currently Ambassador in Paris — according to Islamabad sources.

Shahi is thought to have fallen out with Zia on several issues including relations with India. He is uncomfortable with Zia's idea of an alliance between Catholicism and Islam against the forces of atheism and communism.

PHS

هكذا من الأصل



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

HOW THE WEST CAN BE WON

The lights of recovery will go out over Europe if American interest rates keep rising and the Europeans simply moan about it. This is the central economic issue by comparison with which next month's Budget is the petty cash of a small town grocer.

There is a common anxiety about what high interest rates will do to American and European recovery. The Governor of the Bank of England has joined the Chancellor and the Finance Ministers of France and Germany in asking the United States not to defeat the concerted European move to lower rates. President Reagan and his Treasury Secretary Mr. Volcker also want lower rates but the Chairman of the Federal Reserve Board Mr. Paul Volcker says they will go higher and higher, on his money supply policy, and it is up to Mr. Reagan to cut the Administration's budget deficit. Mr. Volcker is calling the shots. Everybody is raising his voice; and hardly anybody is facing the fundamental malaise whose understanding can point to a better way forward. No good at all can come from the present tendency to blame the Americans. It is a shared dilemma and it calls for a shared solution.

The international malaise is chronic currency instability, a theme for which *The Times* has risked the charge of tedium. No policy to control inflation or encourage growth can work for long in any country when exchange rates are seen-sawing in response to vast currency speculation and interest rate wars. It is a pathetic spectacle to see country after country try and cope with inflation by the mechanics of deflation and slump, using record high interest rates which are in themselves a cost push force and which trigger further currency movements and exchange rate instability. The choice for the Europeans between letting their currencies go or raising their own interest rate is a choice between hanging by rope or strangulation. As Lord Lever said recently, we are "being committed to the highest common denominator of interest rates or the lowest

common denominator of economic progress.

It is no use haranguing the Americans about this, still less being hypnotised into immobility. What is happening imposes obligations on the United States and on us. They are open, both of which leave Mr. Volcker free to have his high rates.

The first is for the Americans to agree to sell dollars as fast as the speculators move into them; the second is for the Federal Reserve to support the reserves of the European central banks so that the central banks can sell dollars for marks, pounds and francs and maintain their own parties without disturbing their interest rates. The European central banks will have to pay interest on swap dollars; but it is dimes and nickels by comparison to the fraction of gross national product threatened by renewed recession if rates rise again.

Monetarists' objection might be that in providing dollars to acquire foreign currencies the United States would inflate its money supply and Mr. Volcker would be impelled to still higher rates of interest. Only an obsession with mere arithmetic figures related to a quite different situation could produce this result. There is no sensible reason for it; and Mr. Volcker has already indicated a willingness to adjust his monetary targets by mid-summer if the American recession persists. The funds flowing in can be broadly neutralized; they can end up harmlessly with the Federal Reserve. And if a twenty per cent rate of interest does attract foreign funds into America, what is the point of going to twenty-two? Economic history confirms that the money supply consequences of intervention can be coped with. If this were not so, Germany, and Switzerland would have had the highest interest rate and the highest inflation in the world in recent years. The opposite has been true.

In a world constipated by conventional wisdom, the scheme may sound high-flown. But it is not. Lord Lever, who is tireless in the cause of radical monetary reform, advocated something like this in the House of Lords, but recently Mr. Raymond Barre, the former French Prime Minister, who is a recognized Conservative financial figure, had this to say:

"I am convinced that it is possible, while taking account of underlying trends in costs and prices, to eliminate excessive fluctuations of exchange rates by combining interest rate policy and central bank interventions. I disagree with any form of 'benign neglect' in the monetary field. I welcome the recent concerted action of the main central banks in order to cut interest rates. I hope that a collective management of exchange rates will be implemented by monetary authorities of the industrialized countries."

The name of the game is recycling and we can do it. We have done it with hundreds and billions of Opec dollars.

An early European summit should be called. We should then explore these ideas positively with the United States as allies and trading partners. It is a far better course than berating the Americans or renegeing into the European ring fence of exchange controls advocated by Mr. Heath. It offers the Americans an opportunity to reassess the economic and political leadership of the West. Without cooperation there is the risk of political disintegration. Here is a chance to rebuild allied unity on the basis of an economically resurgent Europe able to bear its defence responsibilities and to wither the disturbing weed of anti-Americanism.

Can we do it? This is a matter of will. Bretton Woods, which laid the whole monetary foundations for the prosperous postwar generation, was, as Mr. Heath remarked recently, worked out in 21 days. It will be a commentary on political vision today if we do not at least aspire to match that.

SQUEEZE ON THE SCIENCE BUDGET

According to the latest Expenditure White Paper, covering the years 1981-82 to 1983-84, "the Government wishes to give protection to the support of basic science, an activity which underpins further development and is a particular strength of the United Kingdom". The sentiment invites applause. Funds under many other heads of public expenditure were being reduced but "the plans allow for provision for science to be held broadly at the current level throughout the period". The civil science vote, almost all of which goes to the five Research Councils, was being maintained in real value; therefore, it was claimed, basic science would be protected.

It does not work like that. Maintaining the science vote does not by itself maintain the volume of research and advanced training in those fields of science covered by the vote. The series of articles in *The Times* this week on the research councils, the last of which is published today, has shown why that is.

Public financial support for basic science is organized in a system of "dual funding". One stream flows from the Department of Education and Science through the research councils. They run their own institutes and laboratories, (which may be free-standing but are more commonly integral to universities), pay for participation in major international research facilities like CERN, fund research projects carried out in British universities, and support post-graduate training. The other stream flows from the University Grants Committee to the universities, which generate their own facilities and programmes of fundamental scientific research.

While the budgets of the research councils have been protected, those of the universities have been savaged. And if anyone still thinks all that that means is some disappointment among borderline

applicants for university entry and an overdue shake-out of sociologists, he is mistaken. The universities are cutting down academic staff, closing departments, postponing development projects, cancelling purchases of equipment across the whole range of their activities including scientific research. In that obvious way — that only one of the two sources of funding is being protected in value — the Government's claim to be holding the provision for science at a constant level is falsified.

But it goes far further than that. An important feature of dual funding is that the universities provide the research floor (laboratories, standard equipment, ancillary services all of a required standard) while the research councils pay for the time (and it may be years) that particular scientists spend on particular projects of research. If the universities' research floor gives way the research councils' superstructure is damaged. The damage is already visible and its repair diverts research council funds and reduces their capacity for direct sponsorship.

Even within the research councils' own resources level funding does not necessarily permit level activity, especially when the annual uprating of money values is based on the Treasury's calculated underestimates of inflation rates. The Agricultural Research Council is in difficulties although it is not as closely integrated with the universities as the others. Its difficulties have led it to choose the questionable option of closing whole institutes and research stations including the Centre of Excellence in Animal Breeding Research Organization in Edinburgh.

The troubles at the Social Science Research Council are different again. After disproportionately large expansion in the mid-1970s it is now singled out for contraction. It has also fallen under the

hateful eye of Sir Keith Joseph who is putting up Lord Rothschild (author of the customer-contractor doctrine for the research councils) to judge the worth of its existence. It conducts "soft science", which raises doubts in the minds of spectators that physics or medicine does not. But the SSRC is not as soft as all that. The largest slice of its support goes to economics including the economic models now in use (including also Professor James Meade's admired and unfinished work on *Stagflation*).

As a predictive, or even an explanatory, science much of economics remains in the same league as alchemy, but there is no getting away from it. Public affairs are to a large extent conducted by the light of its uncertain rays, so it may as well be brought up to scratch. The fact that it has a long way to go does not disqualify it from receipt of funds intended for the support of a fundamental research capability. There is also a clear public interest in developing other techniques of social science for the purpose of predicting the effect of policy changes and monitoring their outcome.

These observations do not settle the question whether public support for the social sciences is best organized on the research council model, though they do suggest that some capacity for research and power of decision independent of government departments are a good thing.

In these times, and with a government like this, no branch of public activity can hope for exemption from pruning on a priori grounds. However, the Government itself purports to have decided that the support of basic science deserves precisely that protection. Its policies on the other hand are working to produce a contrary effect. It must either revise its rhetoric or adjust its policies, preferably the latter.

obviously misleading. Regrettably, it makes no sense to compare the number of graduates in various countries without taking into account the length of the course.

It is untrue that British engineering students study more intensively than their continental counterparts. On the whole their

courses are two years shorter, and on the whole they know that much less when they graduate.

Yours faithfully
L. SOLYMAR
Fellow in Engineering,
Brasenose College,
Oxford
February 8.

Assessing faculties

From Dr L. Solyman

Sir, Professor Morris (January 26) may claim to be an expert in international statistics on the economics of education but as far as my own subject, engineering, is concerned his figures are

Changing views on lead in petrol

From Dr R. Russell Jones
Sir, In his letter of February 10 your correspondent Mr. Yelland, of Associated Octel, claims that the Lawher committee rejected Needleman's study linking intellectual deficit and increased lead levels in the blood.

That statement is not strictly true. The written testimony of Professor Michael Rutter to the Lawher committee was subsequently published in *Developmental Medicine and Child Neurology* (vol 22, supplement no 1, March, 1980). Professor Rutter was asked by the committee to review all the evidence linking lead and intellectual deficit and he was the only member of the Lawher working party to visit Needleman in America. Of Needleman's study he wrote as follows: "There are a number of important questions and reservations about the study and the inference that lead drawn from it, but none of these are sufficient to invalidate the findings" (my italics).

By contrast the Lawher report contains the following sentence: "There are a number of reservations about these studies, and the inference to be drawn from them, which in our view weakens their conclusions" (Lead and Health, section 159).

Readers may feel that this subtle change of emphasis indicates that Rutter's testimony had no more impact on the Lawher committee than the advice given to Government by Sir Henry Yellowlee.

Mr. Yelland also claims that no new medical evidence has appeared since Needleman's study was published (in 1979 incidentally, not 1978). It is a pity that statement on the basis of advice given to him by the medical representatives at Octel then he has been seriously misinformed. Burchfield et al. have produced evidence to show that lead levels can be predicted on the basis of EEG (electroencephalographic) recordings in normal children. Otto et al. and Benignus have shown that lead affects brain wave potentials down to blood levels of 7 micrograms per decilitre (the bottom end of the normal range). Yule et al. have shown a seven-point IQ deficit in London school children around a mean blood level of 13.52 micrograms per decilitre and Bellingier et al. have demonstrated a significant association between lead burden and the proportion of time that children concentrate whilst in the classroom.

This list is by no means comprehensive, but it is sufficient to demonstrate that the CLEAR campaign is not based on hysteria — it is based on medical evidence of the highest quality, and sooner or later that evidence must be debated in a public forum.

Yours faithfully,
ROBIN RUSSELL JONES,
St John's Hospital for Diseases of the Skin,
Little Street,
Leicester Square, WC2.
February 10.

Public record service

From Mrs Jeanne Stoddard

Sir, For many years, I have been searching for a particular sixteenth century document in the Public Record Office. After an appeal for help from the staff in Chancery Lane it was finally located. However, the document was in a very fragile condition and it had to be sent for repair before I could examine it. This has now been magnificently done and when I have the odd hour to spare I am able to work on this fascinating fragment of sixteenth century merchant life.

Knowing that the work of restoration is very costly, and being conscious that government cuts have severely affected this department of our national archives, I enquired if I might make a small contribution to the cost of repairing this document. I was pleased to learn that this would not be possible as "... Treasury accounting systems are so complicated and tightly ruled that any cheque made payable to the PRO would just vanish into our anaemic accounts, and we could only use the money with the greatest difficulty."

What an appalling and senseless attitude in these difficult times. Our national archives are something of which we should be justly proud. They are free to be used by all, and the staff are exceptional in their patience and helpfulness, and I am sure there are others who have been willing to offer to help with the cost of restoration only to be met with this bureaucratic dead-end.

Yours faithfully,
JEANNE STODDARD,
40 Margrave Road, W6.
February 9.

Women in orders

From the Reverend Dr E. L. Mascall

Sir, The Chaplain of St John's College, Oxford (February 6) can hardly be unaware of the principle that God is not bound by his sacraments, but he appears to hold that a critically ill person can receive God's grace only through the ministrations of a validly ordained priest. This is indeed an extreme form of sacerdotalism!

What causes many Anglicans to question the status of ladies who have received the form of priestly ordination is the doubt whether it is (a) possible and (b) morally right for the governing body of one section of one Christian communion to change the conditions which have been accepted as necessary for a valid ordination by the whole Church from earliest days.

Yours faithfully,
E. L. MASCALL,
30 Bourne Street, SW1.
February 6.

Fears on 'in vitro' fertilization

From Professor I. L. Craft

Sir, It was predictable the British Medical Association's statement following Wednesday's Ethical Committee meeting (report, February 11) would be as bland as their chairman's comments, made even before the meeting, were alarmed. How else does a body representing some doctors defend a potentially inflammatory situation that need never have arisen? If they first considered the issue in 1972 why did they, and others, not have the foresight to see what was possible in animals, including cryopreservation of embryos, might one day be used to man's advantage?

It is from the latter standpoint that the whole issue should be considered. The profession could have taken advice from interested parties, including lawyers, theologians and the public, not least of all from infertile patients, whose aspirations seem to have been glossed over. *In vitro* fertilization could then have been implemented in a rational way rather than having its very performance questioned by over-reactive outbursts. Rightly or wrongly some infertile couples, disabled by their problem, assume some members of our profession consider them last.

Your well balanced leader (February 10) mentioned the rights of an embryo and the question of legitimacy status. Lawyers have discussed some of these issues but there have been no collaborative attempts to formulate a working policy that would apply to the different practical possibilities of embryo transfer. If a fertilized egg is deemed a potential person, how should we consider the prevention of an embryo successfully implanting itself in a woman using an intrauterine device?

Even legitimacy laws concerning natural conception seem confusing since a child born to a married couple would appear to have legitimate status even if the husband was unknowingly not the biological father. What rights does such a child have to know its biological father? Should it have lesser rights than an adopted child or than an adopted embryo if this practice is ever sanctioned? We should not be accused of having double standards.

Doctors active with this work are concerned with ethics as they wish to protect their patients. In 1979 I requested the Royal College of Obstetricians and Gynaecologists should consider extending its guidelines for the use of donor semen (AID) to include ovum donation. We would have welcomed ethical discussions with the British Medical Association but no approaches have been made. It is a pity that the humanitarian comment made by the BMA's own secretary, Dr Harward, when speaking on the emotive Down's Syndrome case, had not

been applied to this issue. He is quoted as saying: "they [doctors] must actively seek to allay public fears otherwise they will find themselves practicing medicine whilst looking over their shoulders."

Let us hope that out of the storm calm will come, so that we can positively find ways to help those who have never experienced the joy of childbirth and parenthood.
Yours etc.,
IAN CRAFT,
Academic Department of Obstetrics and Gynaecology,
Royal Free Hospital School of Medicine,
Pond Street, NW3.
February 11.

From the Bishop of Durham

Sir, I would like to draw attention to a further cause for concern about possible extensions in the technique of *in vitro* fertilization. One effect of advances in the technology of reproduction (if I may call it that) has been to create a steadily widening gulf between the physical processes of reproduction and their normal emotional and personal concomitants. This is worrying, because the close link between the physical and the personal is a distinctive feature of our humanity. In simple terms, human beings should be conceived, and born, and brought up in love. The fact that this does not always happen is no reason for condoning gratuitous threats to the ideal.

As things stand at present, the new techniques may help to strengthen marriages and permit love to achieve a physical outcome which would otherwise have been frustrated. Under the pressure of personal necessity, the gulf to which I refer can be bridged by the strong desire and commitment of the couple concerned. It is when we contemplate the next step, however, towards ovum and sperm banks, frozen embryos, proxy parents, and heaven knows what beyond, that the gap between what is technically possible and what is humanly desirable begins to look alarming. The further the origin of human life is removed from a fully human and personal context, the greater is the threat to human integrity.

In your leading article you refer to the problems experienced by individuals who do not know their genetic parentage. I suspect there may be equally serious problems for a society in danger of losing its sense of the close connexion between genetic and personal relationships, and between the creation of new life and the loving intimacy in which it ought to happen.
Yours faithfully,
JOHN DUNELM,
Auckland Cathedral, Bishop Auckland, County Durham.
February 10.

Ethnic schooling

From Councillor Hilary Benn

Sir, Having had direct experience of the effects that an extension of denominational education can have on the ethnic community, I find Mr. Smith's letter (January 26) dangerously superficial.

In 1980, the Conservative-controlled Ealing Council sold an existing comprehensive high school to the Church of England so as to establish a denominational high school in its place at public expense. The decision aroused considerable opposition and divided the local community, including the Church of England, many of whose members were deeply unhappy about the scheme.

Shortly afterwards, one of the Sikh temples in Southall put in a bid to buy another high school in the borough, but was turned down. Having been through this painful and divisive experience, it is not surprising that the children of Ealing as a whole have gained in an educational sense from an event which Mr. Smith would like to see repeated up and down the country.

The campaign against an extension of voluntary-aided denominational education is overwhelming. First, Mr. Smith is quite wrong to suggest that it would increase parental choice. In present circumstances such an extension could only be achieved at the expense of existing maintained schools, and thus the

freedom of parents to send their children to non-denominational schools would be greatly reduced.

Secondly, it would weaken local authority control of education because under the "dual system" voluntary-aided schools are granted special powers over the admission of pupils. In the face of falling rolls it is vital that we should be able to plan properly for future educational provision, but this will be impossible if the number of voluntary-aided schools is increased.

Thirdly, the most fundamental objection of all is that the principle of comprehensive education (whose purpose is to break down barriers of selection, class, race and social inequality) would be irrevocably damaged if our education system were to be divided on religious grounds.

Although I oppose the further extension of denominational education in the public sector, I am well aware of the concern felt by some parents, particularly from ethnic minorities, about the lack of appropriate religious and cultural education for their children. Schooling plays a part in meeting this need through comparative religious education and by encouraging cultural diversity, but within the framework of a comprehensive system.

Yours faithfully,
HILARY BENN,
Ealing, W5.
January 27.

Riots and the media

From Mr Richard Francis

Sir, Anyone reading Lord Rawlinson's remarks in the House of Lords (February 4) could be forgiven for concluding that the Scarman report contained an examination of television coverage of the Brixton riots. It did not, and Lord Scarman did not take evidence from the BBC. Had he done so, the BBC would have pointed out that no television cameras were present at the first riot on Friday, April 10, described in BBC bulletins as "scuffles".

On Saturday, April 11, camera crews did not arrive until about 45 minutes after the time when Lord Scarman concluded there was a riot, and the first brief pictures were not shown until 90 minutes later on BBC 2. A 4½-minute sequence was shown at 10.00pm on BBC 1 by which time, according to the Report, the main disorders were over. Any examination will show that the measured words and pictures used by BBC News scarcely matched the enormity of the "full-scale battle against the police" described by Lord Scarman (82 arrests; 279 police officers injured; 117 vehicles and 145 premises damaged).

Contrary to Lord Rawlinson's assertion television authorities have never faced up to the question of imitative violence "with a sufficient sense of responsibility", the BBC's Board of Governors, its advisory councils and senior management have all weighed this issue some length. Together with the IBA, the BBC commissioned an independent study from the British Film Institute Research Unit, the initial results of which indicate the television reporting had little or no impact on the behaviour of the rioters and that very few young people get their information from television news.

The BBC's prime responsibility must be to present to the public an honest picture of what is happening. This means not shirking difficult editorial judgments. Our television news reports would have little credibility if it were thought the cameras were withdrawn from scenes the BBC considered to be too hot to handle.

Yours etc.,
RICHARD FRANCIS,
Director, News and Current Affairs, BBC,
BBC Television Centre, W12.
February 9.

Putting jobless to work

From the President of Selby Oak Colleges

Sir, At a time of massive unemployment, when we are simultaneously celebrating the centenary of Franklin Delano Roosevelt's birth, we can hardly fail to ask if there are not statesmen who are prepared to learn from the positive way in which he reversed the trends of unemployment and despair.

The simple fact is that we are paying three million people a living wage for doing nothing. It costs relatively little more to provide socially useful jobs for them to do.

Harry Hopkins within a month put 2,600,000 people on his payroll. They restored 500,000 miles of roads and 40,000 schools improved sanitary facilities for 150,000 and more homes. They raked leaves and cleared snow.

Out-of-work teachers taught the illiterate. Out-of-work actors were paid to act, out-of-work librarians to catalogue archives. La Guardia airport was built, the St. Louis riverfront restored. Indian burial grounds were excavated, French and Spanish records translated. Artists painted pictures for public buildings, writers created the American Guide series.

Out of every dollar Hopkins spent 85c on wages, only 10.5c on materials, and a mere 3.5c on administration. Is there not someone with the imagination and vigour to promote a similar programme, so that in Britain unused gifts may be turned to the benefit of the community and people who feel unwanted may see that they have a positive contribution to make?

Yours,
JOHN FERGUSON,
Selby Oak Colleges,
Birmingham.
February 5.

RSC subsidy

From the Director of the National Theatre

Sir, Though I wish them well in their battle for more subsidy — they are indeed, in my view, underfunded — I have been concerned over the last two weeks by press reports of the Royal Shakespeare Company comparing our larger Arts Council grant with theirs (*The Times*, February 3). Because the two companies are so different — in their aesthetic, in the way they are housed, and in the way they are administered — these comparisons are meaningless and could, if they are continued, cause bad blood. I respect the reasons why my friend and colleague Trevor Nunn has felt compelled to put on his boxing gloves. But I am sufficiently stung to put on mine too for a moment.

The RSC well understand why our grant is the larger of the two. We have to pay £2m a year for our building before anything is put on its stages; they have no such cost, nor will they at the Barbican. We operate a continuous world repertoire in all our three theatres — their Stratford work is seasonal and based on one author. They have about 25 per cent more seats than we have and therefore a larger potential box office revenue. More than half their entire operation is in the country where costs are considerably lower than in the capital. We do a great deal of annual touring, only partly paid for by extra grant (five months in the regions last year); the RSC do far less.

That this country has not one but two national companies is not a great blessing. The consequent artistic health of both, is good and necessary. A dog-fight about our finances is not I hope I have not contributed to it with this letter. I write it only because the position from the National Theatre's point of view should be made clear.

Yours sincerely,
PETER HALL, Director,
National Theatre,
South Bank, SE1.
February 8.

Last but not least

From the Parliamentary Editor of the Press Association

Sir, I feel sure that only lack of space and modern production methods led my old friend David Wood (*The Times*, February 8) not to make the important point, in his characteristically appropriate piece, that for more than 100 years the Press Association Gallery men, and latterly women, have watched and reported the proceedings of both Houses of Parliament, whatever the hour.

New technology and the vicissitudes of the media should not lead the public to believe that, when others have retired to their beds, that the PA is not in position to hear and report for those who wish to know and record, "who goes home?" and everything newsworthy that precedes that cry.

Yours faithfully,
M. F. BRAMLEY,
The Press Association Limited,
House of Commons,
February 8.

Split personality

From the Leader of the Liberal Peers

Sir, But you were right (headline, February 9). The Alliance did hold together on the Tebbit Bill, even if bits of the SDP did not. The official Liberal and SDP line was the same.

Yours etc.,
BYERS,
House of Lords.
February 11.

THE ARTS

Cinema

Vivid imagination of pleasure and pain

Blood Wedding (U)

Camden Plaza

Alligator (AA)

Classics, Oxford Street, Haymarket

Dragonslayer (A)

Odeon, Marble Arch; Classic, Haymarket

Chanel Solitaire (AA)

ABC Shaftesbury Avenue

Death Wish II

Leicester Square Theatre

Ballet on celluloid generally means one of three things: a dutiful record of a renowned stage performance by the Royal Ballet or the Bolshoi; an interpolated sequence, heavy with artistry, designed to add tone to a Hollywood musical; or a colourful background for a fictitious tale (Powell and Pressburger's *The Red Shoes*; more recently, *The Turning Point*). Carlos Saura's invigorating new film *Blood Wedding* comes into none of these categories, for Saura records a ballet rehearsal.

We see the Antonio Gades Dance Company preparing their flamenco version of Federico Garcia Lorca's famous play *Bodas de Sangre* in a bare Madrid studio. Music is chiefly provided by two guitars. For decor there are pale green walls, three opaque windows, the conventional ballet mirror, scattered chairs and assorted radiators. Props are similarly scanty: Gades's version of Lorca's wedding requires little more than

two knives, a baby's cot, a veil and flowers for the bride. This despite a storyline that sits up and begs to be choked with local colour.

Before the rehearsal (performed without interruption) Saura shows us company members going through the ritual preparations: opening the make-up box, displaying the lucky mascots and photographs, whitening shoes, pinning up hair, the faces are absorbed. A tracking shot then takes Antonio Gades from the dressing room to the studio mirror; he strikes a flamenco pose and leads his troupe in more ritual preparations—exhilarating group movements, with swirling bodies and stamping feet.

Saura's compact film (72 minutes) offers several layers of enjoyment. First, it provides an imaginative version of Gades's equally imaginative ballet—a delicately stylized account of a village wedding dogged by bad omens—where the bride's two lovers (the groom and another, married, man) come together in a hypnotically slow dance of death. But *Blood Wedding* is not merely essential viewing for ballet fiends anxious to catch an excellent company in action. For Saura looks beyond the Lorca ballet to all human creativity; he documents the pleasures and pains of building up an imaginative world from flicked fingers, pendent arms, fixed glances.

The other authentic movie, in a crowded week, is *Alligator*, a late straggler from 1980 made by the team responsible for the Dillinger thriller *The Lady in Red*—the director Lewis Teague and the screenwriter John Sayles. Sayles turned director himself for *The Return of the Secaucus Seven*, a memorable chamber piece about the effects of time on college friends, shown last year at the ICA. But *Alligator* plunges us back into the world of cheap and cheerful exploitation film-making, and depicts the awful consequences of flushing a baby alligator down the lavatory bowl. Enconced in the city sewers, it grows to monstrous proportions by feeding on the discarded



Hypnotic dance of death: Juan Antonio (left) and Antonio Gades in "Blood Wedding"

corpses of dogs used in hormone experiments.

Thus encapsulated, this delightful film may sound ridiculous, even disgusting. But Sayles's script, confidently and unfussily filmed by Lewis Teague, manages to avoid both cheap laughs and cheap thrills. The sight of the outstretched reptile bursting through a pavement or chewing the guests at a wedding party remains deliberately comic, yet the narrative never shakes off its undercurrent of tension.

The humour, moreover, always stays on the right side of silliness, helped by the quiet demeanour of the cast. Robert Forster is especially subtle as the policeman pursuing the creature in and out of the sewers; Robin Riker (a lady) provides the traditional romantic interest, and some old Hollywood faces pop up in minor parts (Dean Jagger, Henry Silva). Old Hollywood, indeed, darts inquisitively through the entire film, but the traditions of monster movies remain pleasantly intact at the end. *Alligator*, to its credit, adds a welcome touch of eccentricity. Another monster is featured in *Dragonslayer*, but its adventures are quite different. Instead of city

sewers, this creature stalks the mountains of Urland, a country lost in the mists of time; its antagonist is no biding police officer but Galen Bradwardyn, a sorcerer's apprentice. This dusty epic of the Dark Ages was filmed in Britain by Walt Disney and Paramount, who previously collaborated on Robert Altman's engaging *Popeye*. *Dragonslayer* makes a poor successor, and thrashes about like the dragon itself, painfully in search of a style.

Production and direction are spilt between the scriptwriter, a team of Hal Barwood and Matthew Robbins, previously responsible for the contemporary mayhem of *Sugarland Express*; the lore and language of ancient times, however, totally defeat them. The film also disappoints visually. One realizes the Dark Ages had no electricity, but that is hardly an excuse for shooting this recreation in murky, unattractive gloom (the culprit is the cameraman Derek Vanlint). The acting of the American principals is equally dim, though Ralph Richardson (cast as Ulrich, last of the great sorcerers) adds a welcome touch of eccentricity. Luckily, there is always the dragon—an animated creation that comes into its own for the

climax, belching fire and sweeping through the air on unexpected wings. After an hour and a half, the film comes to life.

Chanel Solitaire, a French-British co-production, has no such last-minute rescue: this lushly decorated saunter through the early days of Coco Chanel remains turgid throughout. George Kaczender, a Hungarian expatriate director generally based in Canada, pitches his film midway between the serious endeavours of biography and the silly excesses of soap opera, thus achieving the virtues of neither. Marie-France Pisier, as Coco, certainly looks French and wears nice clothes, but the hard graft of building a fashion empire is nowhere indicated.

Finally, there is Michael Winner's deplorable *Death Wish II*, which, with an ageing Charles Bronson engaged in a one-man crusade against Los Angeles' undesirable element. The original film, made in 1974, had Bronson doing similar work in New York, and at least told its dubious story cogently. But the sequel, burdened with an idiotic script from David Engelbach, cannot even manage that.

Geoff Brown

Theatre

Magical defence

The Number of the Beast

Bush

Introducing Aleister Crowley in his 1974 play *The Beast*, Snood Wilson brought him on in a kilt and tam o'shanter dancing to the accompaniment of "Swanee" from a posse of Belgian gendarmes; thus suggesting that however shabby the magical credentials of *The Beast* 666, he was at least good for a laugh.

No such defensive tactics appear in the rewritten and vastly improved version of the play that now arrives at the Bush. It is a composite portrait of all Crowley's masks: mountaineer, magician, prophet, sex-magician—still leaving you free to recoil from him as a mountebank junkie, but without any prodding from the author.

The piece spans six weeks, from the expulsion of Crowley from the Abbey of Thelema in Sicily, to his arrival at Boulogne with his American mistress Laria (alias the Scarlet Woman) en route to London. It is a portrait of Crowley in mid-career, living inside his own myth, before he lost his reputation by attempting public displays of his powers.

The Sicilian scene shows him holding court in a squalid courtyard, admitting a neophyte in ordering disciples to slash themselves for uttering the forbidden word "I", and reading the latest denunciation in the English newspapers.

Money is short ("Have you any small change about you, Nuttall?" he asks a naked acolyte); and the commune is a feud-ridden hovel, but there is no question of his absolute self-confidence and authority. But the scene turns on the illness of Laria's baby daughter, whom Crowley tries to heal with an act of homosexual "sex magic". The child dies; and a chasm opens up between human grief and megalomaniac conviction.

Mr Wilson is not in the business of subjecting Crowley to the values of Mr Average; and, when the scene shifts to the sepulchral hotel, it is partly to stage a magical battle in which Crowley, after the obligatory heroin injection, is the victor. The hoodier, projected on the grand scale by Maxine Audley, introduces herself not only as Jack the Ripper but as a mage in her own right; proving it by invoking the apparitions of Yeats and Maude Gonne, whose meeting Crowley wisely interrupts. "Can you do anything?", inquires the old witch, contemptuously; whereupon Crowley demonstrates what he means by sex magic in no uncertain terms—leaving her only to attempt a feeble act of vengeance on the abandoned Laria.

Wilson has deliberately released the brakes on common sense, but he offers a formidable argued magical defence for these events, and recreates the central figure with the full eloquence and erudition of the Crowley legend. In Robin Lefevre's production, which excels in atmospheric changes between the arcane and the commonplace, he is played with weighty and brooding authority by John Stride. Marty Crickbank's Laria equals him in magnetism, as a woman holding on to her magical identity as the only thing she possesses.

Irving Wardle



John Stride: brooding authority

Television

Feeling the pinch

"Three years ago we lost absolutely everything," said the forceful lady in her pleasantly stuffed kitchen, adding that there was now nothing left worth taking. In last night's interesting edition of *Forty Minutes* (BBC 2) this, I fear, was the rub.

One sees why the producer chose Richmond. Britain's new growth industry is growing fastest in smart suburbia, and to burglars there must be something almost indecently exciting about the idea of all that defenceless genteel plunder. The cameras raked the waiting rows of leafy residences to the sound of throbbing *Jaws*-music, then went inside to record the destruction; the microphones listened sympathetically to the accounts of victims still in a state of paralysed shock.

Most felt violated, rather than financially injured: the faeces left in one victim's putting shed were a routine reminder that the thief may also see his function in that Freudian light. There was one very sad case, involving an elderly woman living in daily fear of her robbers' return, but the overall impression was one of weary acceptance.

What sort of programme would have resulted from a visit to a row of less affluent and uninsured victims in inner London? Something rather different, I think. Their hurt would have been deeper, their vengefulness more tangible. And Ken Livingstone, G. F. Newman and Co might have been a shade more likely to realize

that this aspect of law and order is something about which ordinary Britons feel very strongly indeed. Something else about which ordinary Britons feel strongly, but about which they commonly know little, is the warp and weft of their children's education. BBC 2 recently broadcast a fascinating programme, lost among the Christmas blockbusters, which sought to give parents an idea of schools in Britain's richest and poorest areas. Science programmes could clearly be brilliantly stylish, careers programmes admirably candid, and drama could, on occasion, be as well produced as anything in the Playhouse slot.

Yesterday morning brought (BBC 1), a well-made little play about contrasting views of marriage. If the acting was fashionably boomer-boomed, and the opening scenes were way over the top, the bulk of it was much more than a mere CSE discussion-provoker. Those interested can see for themselves when it is repeated this afternoon.

TV Eye (Thames) followed in the tracks of Julian Pettifer and many others to look at contemporary Japan with special reference to robots. "No holiday, no Sunday, no sick, no headache," said a beaming tycoon. "He is a very reliable workmate," said a beaming worker. But what happens when the robot takes over the cushy jobs as well as the dirty ones?

Michael Church

The Flying Dutchman

Coliseum

Wagner's first great opera is usually lucky in its productions. The contents are strongly theatrical, the basic theme, never to be left out of mind, is profoundly human, the outward setting cheerful and stimulating to stage director's imagination.

plenty of people to move about and personalize, in the outer scenes. Harry Kupfer's recent Bayreuth production for me went wildly over the top, landing among people and a variety of those visualized by Wagner: some people admired it, and it was brilliantly staged. When I go to a new production of *The Flying Dutchman* I remember Wieland Wagner's intensely vital and original version at Bayreuth in 1952. Dennis Arundell's at Sadler's Wells, with the astonishing manifestation of the Dutch ship, and Sean Kenny's thrilling sets for Covent Garden with Clifford Williams as producer.

English National Opera's new production is by David Pountney, the forthcoming director of productions remembered happily for his Janacek stagings and, in Wagnerian context, a Meister-singer with Scottish Opera of admirable freshness, as well as a bizarre *Don Giovanni* which I appreciated more than some.

Pountney has made his own English version of Wagner's text. His staging is

bold and colourful, theatrical but loyal, his imagination illuminating where Kupfer merely bewildered with irrelevant fantasy.

The *Dutchman*, true to ENO policy, is effectively a cooperative effort by Pountney with his conductor Mark Elder (a burly account of Wagner's first version), stage designers Stefanos Lazaridis and Alex Reid, and especially Nick Chelton as lighting director. Each of their contributions enhances the work of the others, slotting together like pieces in a jigsaw puzzle, not fortuitously but because they must have conspired and agreed beforehand. This atmosphere of complete, ac-



Bailey, Barstow: heroic and affecting

Opera

diverse ensemble is rare in opera today. I would continue it to include the ENO Chorus, its tasks fully extended and carried out vividly and cleanly; also the principal singers.

Josephine Barstow makes a very girlish, fanatical Senta in a glaring red dress, ablaze with monomania, reflected in her bright, hectic, not very legato singing, a surprising and affecting interpretation. Norman Bailey's Dutchman is already familiar, and he has the presence to wear some extravagant, because contextually old-fashioned, costumes and still look as much the hero as he sounds in his delivery of that hysterically longing music.

His top register is glorious in its ring, the middle of the voice in danger of unsteadiness under pressure.

Daland is Dennis Wicks, jovial and overjoyed at a wealthy marriage, a truly happy man in his duet with Van Der Decken, and presentation of him to Senta, the radiant preparation for the serious love duet which Barstow and Bailey sang so nobly.

Pountney, as producer, was involved in the preparation of all that, and the appearances of the Dutch ship (one of them contrarily behind the chorus who are addressing the crew as if they were the audience), and Chelton's superb lighting, for example in Daland's living-room, vestigial but greatly atmospheric, cosy though obviously formal.

The revolving stage is cleverly used for scene-changes (the three acts are played, as Wagner preferred, without pauses), most strikingly at the end. Senta's self-sacrifice by drowning, a whirling dance amid shifting, mysterious colours and mists, is reflected on the vast floor in front of the proscenium arch. The representation of this old-fashioned play, about the fated wanderer of the seas, and the faithful, loving woman who redeems him, still makes a touching, stirring experience in the theatre, in this production as fresh and thrilling as ever, a good omen for ENO's future with Pountney.

William Mann

Concerts

Fires of London

Queen Elizabeth Hall

There are not too many composers around who make me feel lucky to be living in the 1980s; but certainly Peter Maxwell Davies is one of them. And who could doubt it after such a week? On Sunday I caught on my car radio a thrilling performance of his second symphony, by the BBC Northern Symphony Orchestra under Edward Downes, speeding me up the M40 on my way home after a concert. Then on Tuesday there were two much earlier works to kick off the London Sinfonietta's "Manchester school" series, and on Wednesday a concert by the Fires of London, including two pieces that both demand much and give much: the horror canasta *Revelation* and *Fall* and the recent Piano Sonata.

Davies is too busy composing these days to take on much work as a conductor, but he did make a brief appearance at the start of this Fires evening to mould a shapely account of his *Psalms* 124, a little rosary of instrumental meditations on sixteenth-century Scottish sacred music. It was enough to still the mind before the attack offered by the Piano Sonata, which was here being played for the first time in London, following its premiere at last year's Bath Festival.

As on that occasion the performer was Stephen Pruslin, to whose experience and understanding of

Davies's music the sonata is in part a tribute. I found this performance less overwhelming than the first, to some extent because in Bath the piece had been prefaced by two works: a Bach partita and Beethoven's opus 110 sonata. The Beethoven is particularly important as a model, giving the cue not only for some of the sonata's detail, but also for the trouble it has in bringing itself to a close, the work's finale turns back through the routes of slow movement and scherzo.

But if the work's desperate structural tensions were less rending, the comparatively relaxed atmosphere allowed one to enjoy a great deal more of the surface. For Davies the piano is and always has been a polyphonic instrument, but his sonata is an extraordinarily controllable work, again like the Beethoven. It positively overflows with melodies, and Mr Pruslin was not too outpaced by the work's ferocious technical difficulty to show them off.

on to the platform not as a raving madman, but as the madwoman of *The Martyrdom of St Magnus*, alarmed to encounter a band spitting blood.

Paul Griffiths

BBC SO/Groves

Festival Hall/Radio 3

Earlier in his life, when he was campaigning hard for concerts without the indulgence of well-loved music and without the annoyance of critics, Hindemith may well have been displeased to find himself in the company of Dvorak and Brahms. But there he was on Wednesday, and, at attendance figures for the more conventional of the BBC Symphony Orchestra's thoughtful and enterprising programmes show, it was perhaps not such a bad place to be. The E-flat Symphony of 1940 is not, after all, by any means overexposed in live performance or on record, and the composer would not have been displeased by Wednesday's affectionate performance under the baton of Sir Charles Groves. One of the first works written on his arrival in the States, its characteristic purposefulness of letter seems charged from the first by a new purposefulness of spirit. If Sir Charles concentrated on unravelling the larger blocks of its architecture, at times at the expense of clarifying its

pointing, this served to give it the longer-term momentum needed to brighten its exhaustive and exhausting rhythmic insistence and trying efficiency of detail.

Written no doubt with the famous wind section of the Boston Symphony Orchestra in mind, the solos in the second movement ventilated its swirling smog and brought a welcome touch of earlier Hindemithian humour and whimsy to the third movement.

The woodwind took much of the glory, too, in the Brahms Violin Concerto, the soloist in the slow movement's miniature oboe concerto so perfectly poised and intuitively breathed into life that his part could have gone on forever.

I da Haendel soon returned to the spotlight, though, and here is the sort of playing that is not afraid to take risks, and needed just a sharper edge of anticipation from the orchestra in the first movement: the music may be warmed by the Italian but, in Miss Haendel's hands, it can never be tempted to languor.

Hilary Finch

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Stock Exchange Prices

Gains in gilts

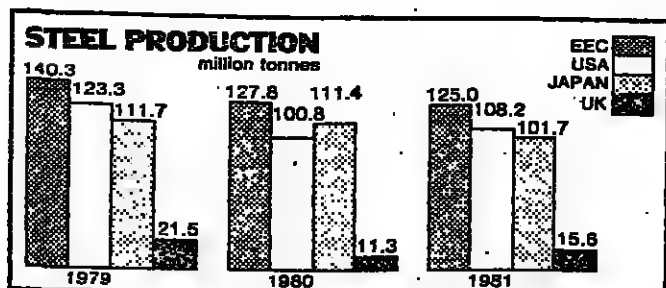
ACCOUNT DAYS: Dealings Began, Jan 25. Dealings End Today. \$ Conango Date, Feb 15. Settlement Day, Feb 22.

\$ Forward bargains are permitted on two previous days

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BUSINESS NEWS

Steel output rises



Steel output by the British Steel Corporation and the independent producers averaged 280,000 tonnes a week in January, a rise of 19.7 per cent on a year earlier when production was affected by a shortage of orders and widespread short time working. Weather hit production last month at BSC's South Wales and Scottish plants while the Teesside works was hit by the rail strikes, and the continuing dispute at Tees Dock.

Gilgate Holdings inquiry

An accountant's committee of inquiry has been set up after the Department of Trade Inspector's report into Gilgate Holdings. Last year three Gilgate directors were found guilty in the High Court of offences under the companies acts and were banned from acting as company directors. Dealings in the company's shares were suspended by the Stock Exchange in December 1980.

Reflation warning by Jenkin

Mr Patrick Jenkin, Secretary of State for Industry, said yesterday the Government should not be panicked into over-hasty reflation which would stoke up inflationary pressures and cause excessive pay demands, rising the costs and loss of competitiveness. The recession had caused widespread changes in attitudes, he said; and there was a new mood of dynamic management "fighting back with a new level of efficiency and a renewed spirit of determination and enterprise".

Sharp fall in EIB borrowing

British borrowing from the European Investment Bank fell dramatically last year as the recession hit industrial investment and demand for funds from the public sector declined. The bank said that its loans to Britain fell to £142.6m in 1981 from £177.3m the year before. British industry's borrowings from the EIB's long-term finance bank fell to only £14m, or less than a fifth of 1980's level. The fall is disturbing as the bank's objectives include the combating of unemployment and reducing the divergence of economic performance between the richer EEC member states and the poorer, which include Britain.

Oil flows again

ENI, the Italian state corporation, is to be allowed to buy crude oil again directly from the Saudi state company Petromin. The Saudis blocked deliveries in 1979 because of a scandal over bribes leading to the resignation of Signor Giorgio Mazzanti, ENI's former chairman. ENI's new chairman, Mr. Enrico Cuccia, has won a £2.7m order for equipment from GEC, which is building the cross-channel power link. Italy is to issue seven-year Treasury bonds paying 14 per cent interest in European Currency Unit, its first issue in a currency other than lire. Renold Power Transmission of Manchester has won a £1.5m order from CMI of Oklahoma.

MARKET SUMMARY

Imperial lights dull trading

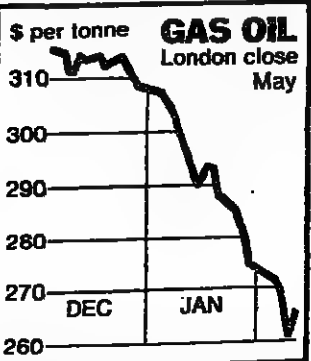
LONDON EXCHANGE

FT Index 572.0 down 1.7
FT 100s 65.34 up 0.66
FT all share 328.73 up 0.96
Bargains 19,626

After drifting throughout the day in thin trade, the market slipped at the close with the FT index down 1.7 at 572.0. Gilt was an exception on hopes of falling interest rates and long dates and ended up a full point amid strong buying. Trade was in shorts with gains on the day of 1.7. The Government broker sold just £50m of the new exchange rate, which was marked up by 1.7. Leading equities which had shown small advances for most of the day ended mostly unchanged with BP, static at 246p, Glaxo at 478p, GKN losing 8p to 172p after adverse comment on its United States operations. Imperial Group was an exception after maintaining the dividend and turning in better than expected profits and the shares put on 5 1/2p to 85p, while Lonrho produced figures that were well above market expectations and the shares rose 3p to 89p. But the 17 per cent slip in profits for the Dowry Group came as an unwelcome surprise and the shares slipped 8p to 116p. Talk of a new higher bid for Huntley and Palmer to improve on the 105p a share offer by

COMMODITIES

Gas oil prices ended a slide of several weeks yesterday. All months rose, and the May contract closed \$3.25 higher at \$24.75 a tonne. Volume was 1,303 lots, well below the



International Petroleum Exchange's busiest, but a sign that the market is attracting trade hedging. The International Commodities Clearing House moved to ease a possible coffee squeeze by adding an extra deposit of £300 a lot to all contracts of more than 100 lots for March delivery. The extra deposit covers long and short positions and brings the total deposit to £600. It comes effective on February 15.

TODAY

Building societies' monthly figures for January; retail price index (January); tax and price index (January). Final results: Alexander Holdings, Brook Tool Engineering, Renown Inc., Wagon Finance Corporation.

OTHER EXCHANGES

Hongkong: Hang Seng Index 1,256.57 down 29.83
Tokyo: Closed

CURRENCIES

Thin nervous trading ahead of American holidays left the dollar and sterling little changed.

LONDON CLOSE

Sterling \$1.8495 up 20 points
Index 91.6 unchanged
DM 4.3800
Fr.F 11.1050
Yen 436.00
Dollar Index 112.0 down 0.1
DM 2.3662 up 2 points
Gold \$383.81 up \$2.31

MONEY MARKETS

Periods were little changed. The Bank bought £313m of bills at unchanged rates of 13% to 13 1/2%.

Domestic rates:
Base rates 14%
3-month interbank 14 1/2%
Euro-currency rates:
3-month dollar 16 1/2-16%
3-month DM 10 1/2-10%
3-month Fr.F 15%-15 1/2%

First-half profit of £140m at Telecom

By Bill Johnstone, Electronics Correspondent

British Telecom has declared a profit of £140m for the six months to last September just a week before a rival telecommunications network headed by Cable & Wireless is expected to be launched.

Cable & Wireless, in a consortium with Barclays Merchant Bank and BP, will be allowed access to international circuits but under conditions agreed with British Telecom. The consortium is expected to have its own earth station satellite link and British Telecom is to play a dominant role in supplying the international circuits.

The package to be presented to the Cable & Wireless consortium, next week, probably by Mr Eric Sharp, cable's chairman, comes after more than three months of negotiations between Cable & Wireless, the Department of Industry and British Telecom.

The 1,300-kilometre C & A network, called Mercury, will be fully operational in about two years. British Telecom has claimed that the network will cream off some of its lucrative business traffic.

The British Telecom profits declared yesterday show a dramatic turnaround from the £19m loss in the first half the year before.

"Price increases in November 1980, necessary to enable Telecom to reach the Government's financial targets, and to finance its own investment programme, contributed substantially to the dramatic turnaround," the corporation said.

Sir George Jefferson, chairman, predicted last month that the corporation's profits would rise this year because of higher telephone charges and not through increased efficiency. The corporation has said that the whole of its profits will go to finance expansion and modernization, which will cost £1,900m.

In light of the recent statements by the chairman on inefficiencies, the Telecommunications Users' Association is to seek a freeze on tariffs for the rest of the financial year.

Nuclear sell-off may raise £61m for State

By Michael Prest

Amersham International, the state-owned radioactive materials company, was formally put up for sale by public subscription yesterday. The Government is expected to net £61m from the offer, and Amersham will gain £5m from an accompanying share issue. The sale is the latest example of the Government's policy of disposing of state assets to the private sector. The shares will be quoted on the Stock Exchange.

Under the terms of the offer, for which the Secretary of State for Energy was advised by N. M. Rothschild and Amersham by Morgan Grenfell, up to 50 million 25p shares will be sold at 42p each. Of these 50 million, 44.9 million are owned by the Secretary of State. Another 5.14 million are being offered at the same price. The offer capitalizes Amersham at £71m.

Cazenove & Co, the stock-brokers, placed the issue, which is wholly underwritten, with several hundred institutional investors. Part of the attraction was a forecast that pretax profits for the year to the end of March 1982 will be not less than £8.3m. On this assumption the directors propose a final dividend of 3p gross, bringing full dividends for the year to 5p gross.

After reaching a peak of £6.66m in 1978, Amersham's profits declined to £4.08m last year. But Dr Stewart Burgess, the company's managing director and chief executive, said results had been adversely affected by the strength of sterling.

The company, which is based at Amersham, Buckinghamshire, specializes in making radioactive isotopes for industry and medicine. Of last year's £48.5m turnover 49 per cent was in medical products, 34 per cent research products, and the remainder industrial. North America is the company's biggest market, accounting for 27 per cent of turnover, while Britain took 17 per cent. Turnover is rising at about 20 per cent compound a year. The company's articles of association prevent a shareholder from holding more than 15 per cent of the equity. The Government will hold a £1 special rights preference share, the rights of which make the Secretary of State's consent necessary before the 15 per cent rule can be changed. The special share is redeemable from 1988.

Pools patriarch retires for second time

Last fixture for Sir John Moores

By Margaret Pagan

Sir John Moores resigned yesterday for the second time as head of the Littlewoods football pools, mail order and stores empire he founded 59 years ago. At the grand age of 86 Sir John says this time his retirement is for good. He announced his decision yesterday to end mounting speculation about how long he intended to stay. His successor is Mr John Clement, aged 49, chairman and chief executive of Unigate, the foods and dairy business. He was brought on to the board as a non-executive director at the end of last year and will be non-executive chairman.

Sir John first stepped down as chairman five years ago and was replaced by his son, Mr Peter Moores, aged 49, a director of Singer & Friedlander, the merchant bank, who had been on the Littlewoods board since 1965. But the father took over again in 1980. The first move to loosen the family structure of what



Sir John: 'This time it's for good'



Royal Bank chiefs: Sir Michael Herries, group chairman, flanked by Mr John Burke (left) and new chief executive Mr Sidney Procter

Shake-up at Royal Bank of Scotland

By Kevin Page

The Royal Bank of Scotland group has reorganized its top management with the long-term intention of merging completely its two subsidiary banks, the Royal Bank in Edinburgh and the London clearing bank Williams and Glyn.

Only three weeks after the Government refused to allow the Royal Bank to merge with another group, it has put in a new chief executive, Mr Sidney Procter, to replace Mr John Bourke.

Mr Sidney Procter, who takes up his position on April

1, said yesterday the long-term merger would be an evolutionary process. A start would be made by co-ordinating services such as marketing and computers. The installation of electronic transfer machines would also be on a group basis.

Mr Procter is managing director of Williams and Glyn. Although he and Sir Michael Herries, group chairman, were reluctant to discuss the board's strategy for expansion after last month's votes of the bids from Hongkong and Shanghai and

Standard Chartered, Mr Procter did say that the bank was not going to rush into an acquisition.

However, he added that the United States and the Pacific basin were attractive areas for possible acquisitions. Continental Europe was not so attractive. He would not be drawn on suggestions that the Royal Bank strategy involved a merger with Grindlays or the sale of the 39.3 per cent stake in Lloyds & Scottish, which could be designed to provide cash for expansion.

Mr Procter's appointment will refuel speculation that Williams and Glyn will become the driving force behind the group. It provided more than half of last year's pretax profit of £107m and 20 per cent of the Scottish bank's deposits are held in London. Mr Procter said yesterday he favoured Royal Bank opening up more branches in England.

The problem now is to find a successor to Sir Michael Herries who retires next year.

Directors attack new group

By Edward Townsend
Industrial Correspondent

City institutions including the Bank of England and the Stock Exchange have joined with the Confederation of British Industry to sponsor a scheme to promote the appointment of non-executive directors on company boards.

A new organization, Promotion of Non-Executive Directors (PRO NED), has been formed and financed by the sponsors and will operate under a panel chaired by Sir Maurice Laing, chairman of the John Laing construction group.

But the formation of PRO NED came under fierce attack yesterday from the Institute of Directors, whose director general, Mr Walter Goldsmith, claimed that the IoD had been deliberately excluded from the panel.

Mr Goldsmith said that PRO NED was a direct attack on the existence and role of the IoD which was the principal body concerned with recommending appropriate board structures. The IoD was astonished, he said, that the British Institute of Management, which was primarily concerned with management matters, should be added to the list of sponsors while the IoD was not.

Sir Maurice, who criticized Mr Goldsmith's "slightly extreme" words, said that the IoD was a commercial organization and it was thought it should not be associated directly with PRO NED.

The new body, whose director is Mr Jonathan Chalkham, a former under-secretary responsible for the Government's public appointment unit, aims to help companies who wish to appoint non-executive directors and to find suitable candidates.

Although non-executive directors often are in the majority on the boards of American public companies, in the United Kingdom they are in the minority but on the increase. The proportion of companies listed in *The Times* 1,000 employing between three and five non-executive board members rose from 26 to 38 per cent between 1976 and 1979.

Business Editor, page 17

Lonrho fails to increase dividend

By Philip Robinson

Lonrho, at present studying proposals to rescue Sir Freddie Laker, has failed to increase its dividend payments for the first time.

On pre-tax profits barely changed at £120m — which includes absorbing a £26m loss from its steel making group Hadfields — the group has maintained the total dividend at a gross £14.285p.

But the figures reveal that profits from its associate companies, which includes almost a third of the House of Fraser and half of the Princess Property Hotels group, fell from £31.7m to £3m.

Imperial Group surprised the stock market yesterday by reporting pre-tax profits which though £21m lower at £106.02m were better than expected.

Recently forecasts had been upgraded from £85m to nearer £100m. Imps shares rose 5 1/2p to 85p compared with 60p in November. Business editor, page 17

SANKEYS FALLS TO RIVALS

By Anthony Hilton

A new force in the do-it-yourself home improvement market was created yesterday when Home Charm, part of the Texas Homecare stores, paid £14m for the rival chain of Sankeys Homecentres. The combined group will have 58 superstores, and 14 smaller units.

It will be one of the largest specialists in the country.

The selling company, J H Sankey, is 60 per cent owned by the National Coal Board. Mr Manny Fogel, chairman of Home Charm, refused to discuss the profit position claiming that he as purchaser, had not been provided with the figures. However, he has borrowed £14m from Barclays Bank for 12 months to finance the purchase.

Howe snubs EEC finance meeting

From Peter Norman, Brussels, Feb 11

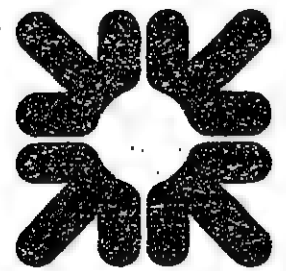
Further development of the European Monetary System.

Mr Willy De Clercq, the Belgian finance minister, said today that the EEC is entitled to underline the international consequences of US monetary policies.

The minister, who will be chairing the meeting, said he was sorry Sir Geoffrey would be absent. The Chancellor has let it be known that he is too busy and will be represented by Mr Nicholas Ridley, financial secretary to the Treasury.

Mr De Clercq said the Community should press the United States to cooperate in monetary affairs. Among

the call for a stronger EMS was echoed by Mr Christopher Tugendhat, the senior British member of the EEC Commission, speaking at Lancaster University.



The Royal Bank of Scotland Group Limited

The Royal Bank of Scotland Group Limited announce that Mr. S. Procter has been appointed to the newly-created post of full-time Group Chief Executive. He relinquishes his post as Chief Executive of Williams & Glyn's Bank Limited. Mr. Procter will co-ordinate the activities of The Royal Bank of Scotland Limited and Williams & Glyn's Bank Limited, and the development of Group strategy for future growth. He will be independent of the day-to-day operations of the two banks.

Sir Michael Herries, who is Chairman of both the Group and The Royal Bank of Scotland Limited, will devote more time to Group affairs. To enable him to do this, Mr. J. B. Burke has been appointed full-time Deputy Chairman of The Royal Bank of Scotland Limited, relinquishing both responsibilities as Managing Director of The Royal Bank of Scotland Group Limited and Managing Director of The Royal Bank of Scotland Limited. He will remain a Director of the Group.

Mr. C. M. Winter has been appointed Managing Director of The Royal Bank of Scotland Limited in place of Mr. Burke.

Mr. M. H. Davenport has been appointed Managing Director of Williams & Glyn's Bank Limited in place of Mr. Procter.

Mr. W. J. A. Dacombe, a Director of the Group, will relinquish his post as Assistant Chief Executive of Williams & Glyn's Bank Limited and will devote himself full-time to Group planning and development.

These appointments will take effect on 1st April 1982.

A Group Head Office will be established at 36 St. Andrew Square, Edinburgh, and the Group London Office will be located at 24 Lombard Street when these premises are completed later this year.

The Royal Bank of Scotland Limited WILLIAMS & GLYN'S BANK LIMITED

Gloomy news in engineering... Buzby bonds set to go

First-half fall at Dowty hits sector

Dowty Group's half year figures caused more than some consternation yesterday. Expectations had been for between £17m and £19m but in the event the figure was £15.7m against pretax last time of £19.15m (Sally White writes). Because of Dowty's wide spread of engineering activities from aerospace, to mining machinery and hydraulic systems, the news of pressure on margins cast gloom over the sector.

Earnings per share are down to 5.5p from 7p. Market reports indicate that some stock was sold, but the management still has a good following. As the share price, at 116p (down 8p), is half the recent high, the instant view was that there was little point in selling now.

Prospects for the full year pretax are now much the same as last year's. Performance is likely to continue to remain flat until the economy in Britain, and the world at large, picks up.

Six months ago the company indicated trading would be more buoyant than has in fact been the case. The reasons are all too obvious. The Tornado programme has been cut back by about 25 per cent, the National Coal Board has



The Tornado: cutbacks have depressed Dowty profits.

been giving only a low level of orders, and civil aviation has suffered a dramatic downturn.

Dowty is financing a large new product development programme but it says that the new business thus generated is taking longer than expected to reach acceptable levels of profit. It also suffered from a long period of industrial action over the 39 hour week which ended in a strike, but managed to keep sales at reasonable levels nevertheless. Margins were however squeezed in the aerospace and electronics divisions.

Mining saw improved margins and orders for mining machinery in the United States held up well. There was also a slight upturn on the railway side, but railway

marshalling equipment is not going to add millions to profits in a hurry.

Overseas and export sales are up, but there was a corresponding fall in the home market.

Analysts had become more bearish of Dowty recently because the news of cuts in government spending on defence was not encouraging for defence equipment manufacturers, and a picture of gloom has unfolded for aerospace.

Some are now casting doubtful eyes at Smiths Industries. In the mining machinery sector, it is felt that the share price of Doosan Park could turn round more quickly as the group does seem to have excellent relations with the coal board.

£150m issue approved

Investors with jaded palates have a treat in prospect, now that the Buzby bond with a return linked to British Telecom's profits is about to be given the green light by the Government (Frances Williams writes).

Though the precise terms of the £150m issue will not be decided until nearer launch-time in the autumn, when market conditions can be assessed more accurately, the Treasury appears to accept that a return of 4 to 5 per cent above the yield on comparable gilt-edged stock may be necessary to bring in investors.

Until recently this extra cost was a big stumbling block holding up Treasury agreement to the issue — but it is now persuaded that borrowing by British Telecom in the private capital market could exercise a useful extra discipline on its performance and efficiency.

The other big wrangle was over BT's freedom to raise prices and thus to make monopoly profits, which would benefit bondholders at the expense of the general public.

This has been resolved most ingeniously. The bond's prospectus will say that BT has the discretion to raise prices each year by up to the rate of inflation minus X. The size of X is still being haggled over, with BT

hoping for nearer one and the Government for nearer five, but the two sides are apparently close to agreement.

The Government is also likely to reinforce this discipline by renewing performance targets for BT. The existing target calls on the industry to reduce real unit costs by 5 per cent a year, which it has singularly failed to do.

How much will BT get out of all this? It has failed to get Treasury agreement to the notion that private borrowing should be entirely outside the constraints of Government-imposed borrowing limits.

But the Treasury is prepared to make a partial accommodation, by increasing the 1982-83 limit of £340m perhaps by a further £100m, two-thirds of the amount of the bond.

Unitech looks upwards

Unitech has been one of the stock market's favoured stocks. As a leading microchip manufacturer and distributor it has offered both growth and high technology — not to be found all that frequently in this country. The rating reflects the weight of money that has tried to get into the shares. (Drew Johnston writes).

After a rather dismal performance, reflecting the recession, it now seems set to benefit from an upturn in the British components

market. That is welcome news — the last set of profits saw drop from £2.39m to £1.47m.

It has not yet benefited from the upturn because around half its sales are made in still depressed West Germany, the biggest electronic components market in Europe.

Activity at Diploma, a comparable business which shares Unitech's exposure to high technology active components like semiconductors and microprocessors, is brisk because Diploma does not trade in the German market.

Unitech's recent share price rise — yesterday it rose 2p to 245p per ordinary share — bolsters the opinion that the share is fully valued with a price/earnings ratio of 24 and a dividend around 4 per cent. One market view yesterday was that shares bought in the past couple of months could be worth a lot of money if two or three years. Many investors are not prepared to wait that long, of course, but the stock is said to be at the bottom of the cycle, and the company could be expected to come up with another rights issue before the end of the year. Estimates of profit for the year to May are around £3.75m.

This divides the year between profits of £1.47m in the first half and £2.28m in the second half. Estimates for 1983 assume recovery in the computer industry, and place profits around £5.3m, with a price-earnings ratio down to 17 and dividend yield at 5 per cent.

MINING SUPPLIES

Scott buy puts group into loss

The widely fluctuating performance at Mining Supplies do not appear to have been helped by the inclusion of Laurence Scott.

Figures for the six months to October 31, reveal the group plunging from a profit of £2.37m into a loss of £677,000, despite a big increase in turnover from £14.1m to £29.3m since the inclusion of Scott.

Once again shareholders have been asked to forgo the interim dividend although they were paid 2.85p gross for last year as a whole.

The performance of Mining Supplies itself is described as reasonable by the company when taken against the current background of continued low demand and rising costs.

A profit of £548,000 has been recorded despite turnover falling from the previous year's level of £14.1m to £10.6m. The order book continues to look healthy with a majority of long term, high value orders which should show through in the second half.

However, the entire effort appears to have been nullified by the increased losses from Scott amounting to about £1.2m on a turnover of £18.6m.

Steps are being taken to reduce the losses and further rationalization has been undertaken in an attempt to reduce the heavy bank borrowings. The board is looking forward to some improvement in the second half. Whether or not it will be enough to eradicate the losses of the first half appears doubtful. Closure costs for the group amounted to £496,000, included in the figures are a surplus of £49,000 stemming from the sale of its Agovox subsidiary.

But Mr Arthur Snipe, chairman, remains confident of Scott's future. New business had been achieved by the acquisition in the export and electronic systems markets, he said.

CHRISTIE-TYLER

More losses

Christie-Tyler, Britain's largest upholstered furniture maker, has plunged deeper into loss in the first 6 months of the year to October. Only last month the group's 2,000 employees at its 17 factories in South Wales agreed to take 10 per cent pay cuts to save jobs.

As expected the group is still trading at a loss, but due to the severity of trading during its normal peak

autumn selling period, the loss is worse than forecast.

A pretax loss of £739,000 compared with losses of £445,000 last time on sales which rose marginally by £2m to £35.5m. The half-stage dividend has been passed after last year's 1.42p gross payment and the group's shares fell 1p to 35p.

In January the workforce agreed to the cuts of a £5.50 increase settled nationally with their union, and the Furniture Trades Union, and to take a 10 per cent reduction in bonus payments. The senior executives also took salary cuts.

At the end of last year Christie returned to small profits of £567,000 — compared with £2m earned in 1980 — after the first half of losses.

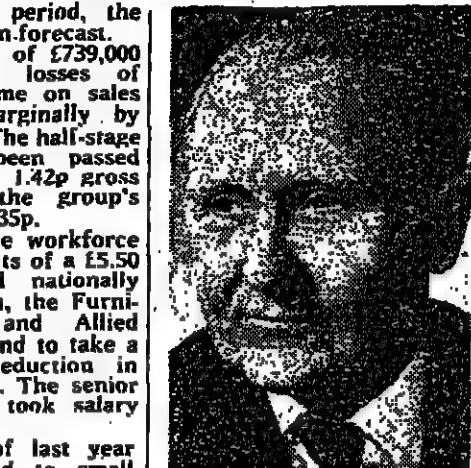
Mr George Williams, chairman, warned them that prospects looked bleak until 1982. Yesterday he reiterated that recent measures to restore profitability should be effective by 1982 to 1983. But a return to former profit levels is not expected until 1984.

The second half's trading was also hit during the January sales period by the onset of exceptional weather. Christie is still one of the better performers in the furniture sector which has been beleaguered by the squeeze on consumer demand and imports and a loss for this year is more than likely.

At a trading level losses were £611,000 against sales of £183,000 but after interest charges, well down at £128,000 compared with £262,000, the loss after tax is £739,000. In the previous period profits of £736,000 were obtained after a deferred tax release of £950,000. The loss per share comes out at 7.7p against earnings of 7.6p.

The new company is owned by the executive directors and senior management who between them hold 5 per cent of the equity.

Assets holds 20 per cent and both groups of shareholders have agreed to retain their stakes for two years. Dew, which is also involved in landkeeping and stonemasonry contracting was listed on the Stock Exchange before being bought by RVS in an agreed bid in 1978.



Mr George Williams, chairman of Christie-Tyler

compared with £2m earned in 1980 — after the first half of losses.

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GEORGE DEW

USM move

George Dew, the civil engineering and industrial builders from Oldham, confirmed that it will apply for a listing on the United Securities Market next month.

The group has beaten its own forecast of £3.1m pretax profits which it made last September when it raised £7.75m to buy itself out from Royal Vickers. Since its Dutch parent group in the event it made pretax profits of £3.24m in the year to November. Past tax profits since the budget are £307,000 of which £272,000 will go to pay a dividend of 3.4p per share.

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ROBERT M DOUGLAS

Hopeful signs

There are encouraging signs with an increasing workload at Robert M. Douglas Holdings, the Birmingham civil engineering and contracting group, despite disappointing half-time results.

Pretax profits for the six months to September fell to £747,000 compared with £1.12m last time. Sales in the period rose by £1m to £53.6m. The half-time dividend gross is 1.07p against 1.57p last time on the capital. The board expects to pay a total net dividend for the year of 3.5p but the shares yesterday dipped 4p to 79p.

Mr John Douglas, chairman, says the group entered the second half with a substantially increased workload in construction and specialist subcontracting. But other, Tighe is stronger in the North-east and East Anglia and HAT is based in the West and South.

HAT will enter the growing area of petrochemical installation and offshore development painting contracts through the acquisition. Also, Tighe has one of the most comprehensive grouting and blasting services in Britain.

HAT will initially pay £8.5m in cash and issue 700,000 ordinary shares, but there is provision for an additional consideration should Tighe's profits exceed £1.8m in each of the two years ending February 1983 and 1984. Tighe will repay part of the price should profits fall short of this figure.

Mr David Telling, HAT Group chief executive, said the cost of the acquisition would be met from the group's own resources, which included the proceeds of last August's £7.35m rights issue. HAT would not need to increase its borrowing.

In the year to February 1981 HAT made a pre-tax profit of £4.86m, 20 per cent higher than the previous year. The dividend for the year went up by 25 per cent to 3.6p per share.

Mr Alfred Telling, chairman, predicted a modest improvement this and at the half-way stage to August taxable profits were up from £2.14m to £2.39m, on turnover of £42m against £39.5m. The dividend was raised from 1.8p to 2p per share.

Under the terms of the deal Mr J. Tighe will continue to head the group which will retain its own management. HAT Group shareholders will vote on the acquisition at a general meeting on March 1.

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NORFOLK CAPITAL

Hotels hopeful

Norfolk Capital Group, the hotel and restaurant business headed by Sir Maxwell Joseph, yesterday announced a loss of £29,000 for the year to September. The profit last year was £337,000. Turnover was down to £8.34m from £9.14m, and earnings per share fell to 0.15p from 1.26p last time.

The company blames severe price competition in the hotel industry for the downturn. It says a further reduction in overheads to stem the losses will impair the service it offers to its customers.

In an effort to restore profits, Norfolk has merged its provincial office at Bath with its London head office.

The net asset value for the year fell from 69.6p to 45.1p. This resulted from the sale of fixed assets in order to give a fair representation of the current position in the balance sheet.

The prevailing depressed market for certain of the group's hotels is expected to pick up with a recovery in occupancy levels in due course, it says.

Despite the poor results, a dividend of 0.7p gross per ordinary share has been declared. This compares with last year's payout of 1.7p gross.

HAT GROUP

Tighe takeover

HAT Group of Bristol is to take over Jack Tighe, a privately owned industrial and commercial painting contractor, in a cash and share deal worth £9.

More than half the turnover of Tighe comes from heavy industrial, petrochemical and North Sea oil related contracts, the balance coming from commercial, domestic and maintenance painting.

One of the main reasons HAT made the acquisition was that the geographical areas covered by the two

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1981/82	1980/81	Company	Price	Chg	Gross Div	Yld %	Actual	Yld %	Taxed
123	100	ABI Hldgs 10% CULS	123	—	10.0	8.1	—	—	—
75	62	Airsprung Group	70	—	4.7	6.7	11.1	15.4	—
51	33	Armstrong & Rhodes	44	—	4.3	9.8	3.7	8.3	—
205	187	Bardon Hill	204	—	9.7	4.8	9.9	12.1	—
104	77	Deborah Services	77	—	6.0	7.8	3.8	7.2	—
130	97	Frank Horsell	130	—	6.4	4.9	11.7	24.1	—
80	39	Frederick Parker	80	—	1.7	2.1	34.8	—	—
78	46	George Blair	78	—	—	—	—	—	—
102	93	IPC	96	—	7.3	7.6	6.9	10.4	—
105	100	Isis Cons Pref	105	—	15.7	15.0	—	—	—
113	94	Jackson Group	94	—	7.0	7.4	3.0	6.7	—
130	104	James Burrough	112	—	8.7	7.8	8.2	10.3	—
334	250	Robert Jenkins	254	—	31.3	12.3	3.5	9.0	—
59	51	Seruations "A"	56	—	5.3	9.5	8.6	8.0	—
222	164	Torday & Carlisle	164	—	10.7	6.5	5.3	9.8	—
15	10	Twinklco Ltd	13	—	—	—	—	—	—
80	66	Twinklco Ltd	76	—	15.0	19.7	—	—	—
44	37	Unibac Holdings	37	—	3.0	11.1	4.8	8.2	—
103	75	Walker Alexander	75	—	6.4	8.5	4.9	8.7	—
263	212	W S Yeates	223	—	13.1	5.9	4.2	8.6	—
Prices now available on Prestel page 48146									

مكتبة من الأصل

BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Royle road from recession?

Gaity grappled with gloom at yesterday's annual thrash of Royle Group, which since 1833 has become a proud name in old master prints, letterpress, stationery, greeting cards, and the merger documents, prospectuses and annual reports that line a City wall when business is good. Yesterday Royle used its party to sing the praises of its new offshoot, Royle Computer-setting, to give the City clients a faster service. For a time it will, however, be keeping the hot metal warm. Naturally I wish them well, and they will need luck because every printer of City stuff is crying out for custom and Peter Royle, chairman, spoke from the heart when he told his guests: "We shall be looking to you for more fodder!" Royle as a group is breaking even, which must be a relief to its 600 workers, which makes the group Hackney's largest single employer. Old Eric Royle, in his seventies, actually heads the business, but young Peter, 47, minds the shop. Time will tell whether these working Royles — eight out of a 10 strong board — still know the recipe for success. Perhaps St Valentine's Day will turn out nice for them — and perhaps not.

Dustbin full of truth

I'm always looking for truth about mankind and its creations, says William Rathje, a professor of garbageology, with a Ph.D in anthropology. Rathje and his team search the garbage dumps of the United States, particularly "common household garbage", which he has been looking through for the past 11 years.

His most recent project has been a survey of beer swilling in which 65 per cent of the people when interviewed said they did not drink beer.

"So we looked through their garbage", says Rathje. "We found 25 per cent of the households indeed offered no evidence of beer drinking; 25 drank up to seven times of beer in one week, and in the rest there was evidence of between seven times and a case of beer a week."

Rathje, who works at a "garbage pavilion" in Tucson, hopes to start a museum of garbageology.



Roz Hanby

The Concorde story is not all disaster, as Roz Hanby will vouch. Miss Hanby, whose face has featured on British Airways posters in 80 countries over the last seven years, is off to a new career in television. She will leave the airline this Spring having signed with agent Peter Charlesworth in the hope of work as programme presenter and television personality. Roz says, "I've already had two firm TV offers." She really was a stewardess, just like on the Concorde. Of course, she's now a flight attendant on the VC10's and 707's, although these days she's more likely to be seen on planes as a passenger going to BA promotional, and now self-promotional, trips.



Peter Wainwright

NEW APPOINTMENTS

Mr E. J. Harris has been appointed to the board of Brush Electrical Machines. Mr G. L. Kline has been appointed director and Mr J. B. Maffoch has been appointed to the board of Crompton Lighting. Mr C. M. Ryland has been appointed assistant managing director of Hawker Pacific, Australia. All companies are members of the Hawker Siddeley Group.

Philip Robinson assesses the proposed rescue attempt for Laker's Skytrain service

'Tiny' Rowland: a friend in need for Sir Freddie?



Capitalist buccaneers Sir Freddie Laker and Roland 'Tiny' Rowland, friends for 25 years and now potential partners in a venture to rescue part of Laker Airways

The bankers lost patience; Mrs Thatcher refused help, but Mr Rowland "Tiny" Rowland, the man once described by former Prime Minister Ted Heath as the "unpleasant and unacceptable face of capitalism", has prepared a plan to save Sir Freddie Laker, for whom even the poorest readily save £1.

But behind the new deal — which could make two buccaneering entrepreneurs with a 25-year friendship, into fellow directors of a new company — Mr Rowland could well have his eye on gaining sufficient public and Establishment support to get control of the House of Fraser group and, in particular, Harrods.

Many in the City now take the view that the saviour of Sir Freddie, who is regarded by some to personify the free market spirit, will be sufficient for Mr Rowland, aged 64, to become accepted by a British establishment which has constantly rejected him.

It was this rejection that stopped him gaining control of the 122-store House of Fraser group three months ago when the Monopolies Commission decided by a five-to-one vote that a takeover by his international trading company, Lomro, would be against the public interest.

The Commission concluded: "We consider that there is a very real and substantial risk that the efficiency of House of Fraser would deteriorate seriously as a result of the merger and that it would be detrimental to the public interest and that it would be exposed by the merger to such a risk."

Mr Rowland immediately attacked the report as disappointing and unfair. He said: "They (the establishment) and the City don't like me and wish I would go away."

In December he agreed with the Department of Trade that subject to not interfering with House of Fraser in the meantime, he would seek approval to bid again.

Lomro has been working on how to change its business in an attempt to remove Monopolies Commission criticism and is said to be planning to ask if it may try again to bid for Fraser at the end of next month.

Mr Paul Spicer, a Lomro director, has said: "There was not much criticism of our business in the report and it will not take long to overcome it."

What has pleased Lomro observers is the way in which Mr Rowland has set about trying to refloat the man who

crashed a week ago today with debts of £270m. It is being taken as a measure of his seriousness that his auditors, Peat Marwick Mitchell have been sent in to conduct a viability study of a slimmed down Skytrain.

They are due to report within days and Mr Rowland believes that he and Sir Freddie could set up a new company which would possibly be floated on the Stock Exchange allowing the public, which has donated around £3m so far, to buy shares and back the man who pioneered cheap air fares.

What the City sees as crucial in the next few days is whether any part of the old Laker which Mr Rowland is prepared to back will be free of all debt. Mr Rowland has said that he reckons with 10 DC 10s and a staff slimmered down from 2,500 to 1,500, a Rowland-Laker Skytrain could be profitable.

That would leave the Laker joint Receiver Mr Bill Mackey with 1 DC 10, three airbuses, three BAC 1-11s and two 707s left to sell for the creditors. He has already raised £4.5m by selling the Laker tour companies. Arrowsmith went

to the vodka-making Warrington brewers, Greenall Whiteley, for £4m and Laker Travel to the group specializing in package tours for the over-60s, Saga Holidays.

Mr Rowland is known to be an impulsive buyer, sometimes in areas which have become disasters. Brentford Nylons, and steelmaker Dunford and Elliott are now acknowledged by Lomro directors as far from good buys. But on those occasions, it is understood that there was no accountants' report prepared.

Lomro's international business spreads through merchandising, hotels and mining in Africa — where the group started as the London Rhodesian Company — through agricultural equipment retailers, to brewing and publishing.

But its involvement in airlines is small and confined to cargo. It started in May 1975 when the group bought Armitage Industrial Holdings from Mr James Slater for £325,000 worth of shares. Its one asset was a Hawker Siddeley 125 aircraft. Three years later it bought 60 per cent of a Gatwick-based

cargo airline, Tradewinds, which flies Boeing 707s.

Mr Rowland told shareholders in his last annual report that Tradewinds staggered through the year, against overseas competition which it found difficult to meet on equal terms. "We shall need to find a new formula," he said.

The company also has a dealership in Africa for medium range Beechcraft planes, the group also owns a Gulfstream 11 jet used by Mr Rowland as an office in the sky. Lomro represents Gulfstream in most African countries.

In the past year Mr Rowland has concentrated on attempting to win control of the House of Fraser, by what critics regarded as a war of attrition.

But he found time to buy The Observer after nearly six months of negotiations with the Government which eventually found that ownership by Lomro's Scottish publishing arm George Orwell Ltd would not constitute a monopoly.

The deal was worth £6m, of which £3m was in cash and

the remainder made up of a 20 per cent stake in George Orwell, paid to Observer owner, Atlantic Richfield (Arco).

The newspaper deal also brought Mr Rowland new friends in the shape of Arco's president Mr Robert Anderson. More deals with Arco were expected by the City and there is some suggestion that it may be involved in the Laker rescue, although it is unlikely that the Civil Aviation Authority would be allowed to grant licences unless Mr Rowland's plan was an all British affair.

It is estimated that Mr Rowland would have to put up between £50m and £70m for the planes. Lomro says it has the money. The last balance sheet showed around £130m cash which was partially earmarked for a £200m takeover bid for Fraser.

Yesterday Lomro surprised the stock market with profits for the year to last September slightly up at £120m when analysts were expecting lower metal prices and continued difficulties of its British industrial divisions to pull profits from £119m down to £105m. The figures disclosed that the group spent £21.5m on the partial closure of Hadfield's steel manufacturing facilities.

What is still unclear is whether Mr Rowland is preparing to back Sir Freddie with his own money, or whether it is proposed to use Lomro's cash to finance the initial rescue.

If he intends to use the company's money, it might well upset the group's major institutional shareholder, Gulf Fisheries which invests the money of the Kuwaiti royal family. They have been unhappy with their investment in Lomro for some time, and this could now come into sharp focus, particularly as Lomro this year has failed to increase its dividend payments for the first time in years.

In March 1980, Gulf Fisheries failed to stop Lomro creating 40 million new shares, a 16 per cent increase in the authorized share capital. That was just after an abortive move by financier Mr Graham Ferguson Lacey to buy the Kuwaiti stake with a view to bidding for the rest of Lomro.

It was the involvement of Sir Hugh Fraser, then chairman of the House of Fraser, in the move by Mr Lacey which changed Mr Rowland's attitude towards the stores group and set up a series of boardroom clashes and public rows which led to the Lomro bid for Fraser a year ago.

Business Editor

Radical changes in prospect

All is still in the melting pot at Imperial Group. Despite a cleaned-up balance sheet and better-than-expected profits for the year to October, there seems little doubt that chairman Geoffrey Kent is poised to add a more radical tinge to the strategic recovery plan formulated since last summer.

So far, head office structure has been rationalized, 1,000 tobacco workers have been made redundant, four Buxted poultry factories closed in addition to a small brewery and a bottling plant in the Courage division, and £100m realised from the sale of the Mollins stake and the BAT interest.

The JB Eastwood poultry group is clearly up for sale just when it is coming into profit. But Mr Kent made it clear yesterday that there are no "constraints on given possibilities." In other words his mind is open to options ranging from a demerger of the Ross foods division perhaps, to a closure of one of the tobacco factories.

Meanwhile a £21m drop in pre-tax profit to £106m for 1981 is due partly to the £20.5m full-year contribution from Howard Johnson, although perhaps a third of this derived from exchange rate gains. Net of financing costs, Hollo brought in only £300,000. Not much of a return on a £250m investment.

The brewing side made £50.7m against £42.4m despite the slump in overall beer consumption, estimated at more than 10 per cent. However, Courage's market share is at a 10-year peak. Food contributed a 20 per cent rise at £12.3m masking poultry losses. But tobacco profits slipped 21 per cent at £63.6m reflecting an overall industry decline of 15 per cent over the past year.

Another price-cutting war after the expected Budget savagery is likely. Duties in 1981 rose 32 per cent. The stockmarket was pleased enough at the maintenance of the total dividend at 7.25p which is covered once by retentions. Longer term, the problem is how to develop a mix of mature industries like tobacco and brewing, and new, profitable products. Painful decisions lie ahead.

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any private sector? Or is its approach to be tempered by other, political or social considerations?

Its critics cannot have it both ways. Targets set by the Government dictate that Telecom makes 5 per cent on its capital. But for the last two years the corporation has failed to achieve this target. According to Telecom's chairman, profits this year are the result of tariff increases rather than much-needed efficiency gains.

Criticism of the latest profits is thus missing the mark. It is not the size of the profit which is unsatisfactory, but the way it is being made.

Telecom needs to increase profitability to finance its ambitious investment programme. More than 85 per cent of its investment is generated internally. The Government remains unable to decide how it wants to fund the corporation and is considering the possibility of selling parts of it to the public.

Until these issues are settled and the corporation is given a stable financial framework in which to run its business, it will continue to be subject to mudslinging and misguided criticism.

Boards For the boys?

The initiative announced yesterday by the City and industrial establishment to provide the use of non-executive directors is at least excellent in theory. In practice the merits of the appointment will depend on the quality of the man.

If the appointment really has been made to bring in the help of a specialist skill, or to aid in decisions of company strategy, then the contribution to its financial health will be useful. There is always the danger that it will fall in the "jobs for the boys" category.

Most recently there has been an expansion of the use of the non-executive director role in venture capital situations. An increasing amount of institutional money is being placed directly in small companies. The institutions have nominated non-executive directors to keep an eye on their interests, and to provide financial expertise.

One of the acknowledged tasks of the non-executive director is to advise on the structure and level of remuneration of executive directors.

The non-executive director can also advise the way in which banks or major investors can bring in experienced businessmen to act as company directors when the full-time executives have been unable to stop a company getting into trouble.

'The Clam' claims to rule the waves

TECHNOLOGY: ALTERNATIVE ENERGY

By Clive Cookson

The clam claims to have beaten the duck, the cylinder, the bag and three "oscillating water columns" in the race to prove that it can generate electricity from the ocean waves at a price competitive with conventional power stations.

Next month, the Department of Energy's Advisory Council on Research and Development (ACORD) will decide whether the clam team — Lancaster Polytechnic and the Sea Energy Associates (SEA) consortium — should be given the £10m they want to build and test a two-thirds scale prototype of the device.

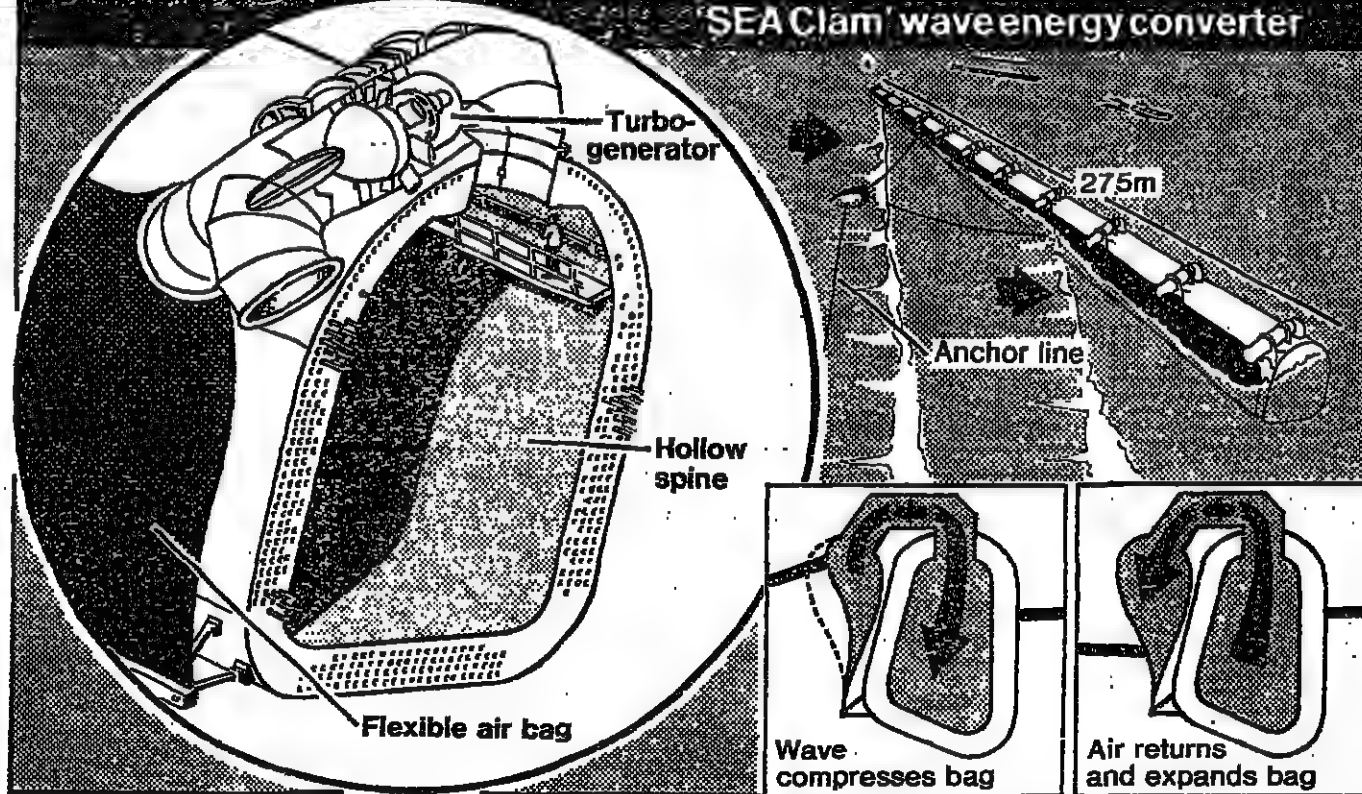
ACORD is assessing the clam for all alternative energy sources, and some wave enthusiasts fear that the council may decide to phase out support for wave power altogether, concentrating funds on wind and geothermal energy.

But perhaps the most likely outcome is a decision to defer matters for a year or two. In that case, the energy department would continue its policy of distributing about a million a year to a number of wave research projects, keeping several options open.

The seven British teams working on wave power systems presented the projects to Dr Tony Challis, the energy department's chief scientist, last month. Of course, all were enthusiastic about the long-term promise of their devices, but some were not yet prepared to plunge into building a large-scale prototype. Several of the competing groups argued that the Government should sponsor more research rather than committing itself to a single project that might not be the most appropriate choice in the long run.

The SEA team has calculated that a full-scale array of clams off the Hebrides could generate electricity for the national grid at 5p per kilowatt hour. That is within the cost range of modern coal or oil-fired power stations.

Dr Tony Peatfield, deputy director of the project, said that Rendell Palmer & Tritton, the consulting engineers who are helping the



A front-runner in the race to harness energy created by wave power

Department of Energy evaluate the seven wave-power proposals, have accepted the 5p per unit estimate for the clam. The figure is derived from the performance of a one-tenth scale model on Loch Ness, supplemented by laboratory tests in wave tanks.

The device no longer looks like a clam because it was redesigned last year without its original "shell", but the group has decided not to change its name. The shell-less clam is now a simple structure: it has a series of flexible air bags mounted along a long hollow spine of reinforced concrete.

The bags are made of tough Kevlar fabric, which the Avon Rubber Company makes for tyres and hovercraft skirts. Passing waves push them in and out, forcing air into and out of the spine through a turbine.

The "self-rectifying" turbine, which turns in the same direction whether the air is moving in or out, drives a conventional electric generator.

The SEA consortium has had inquiries from abroad for example from Barbados and Venezuela — but no foreign country is likely to commit itself to the clam or any other wave energy converter before a prototype has been tested successfully. So it seems that Department of Energy funding will be essential.

A full scale 10 megawatt generating unit would have 10 clam bags attached to a spine 15 metres deep and 275 metres long, moored at an angle to the waves. A 2 gigawatt wave-power station, comparable in output to a large conventional station like Drax B, would require 320 of these devices along 130 kilometers of coastline, and

would cost an estimated £3,400m to build.

Only two of the other six projects are serious rivals of the clam for immediate scaling up to a prototype. One is the Lancaster Flexible Bag, being developed by the University of Lancaster and the Hampshire firm Wavepower. The other is the Oscillating Water Column, which the National Engineering Laboratory has been working on since 1974.

The Lancaster bag is similar to the Lancaster clam in general design and also features a series of air bags arranged along a hollow concrete spine. The main difference is that the Lancaster device has ducts to feed the air from all the bags to a large central turbine, while the clam has a small turbine for each bag.

The National Engineering Laboratory's Oscillating Water Column (OWC) is also an air-driven system, though it looks quite different from the clam and the bag. It is a massive concrete structure with an inverted box that traps a volume of air above the surface of the ocean. As waves pass, the water moves up and down like a piston, forcing the air in and out of the box and through a

The NEL estimates that electricity generated by its OWC would cost between 4p and 6p per unit. The laboratory is hoping that the Energy Department will provide £15m over the next five years to build a full-scale prototype off one of the western islands of Scotland. "Our device is the most practical at the moment," said Mr George Moody, of the NEL.

The team working on the Lancaster bag seem less aggressively competitive than the Lancaster OWC group. Professor Michael French, of Lancaster University, who invented the device, warned against the people who "are trying to go too fast, taking the inventions we already have rather than looking around for something better."

And his partner, Mr Jim Platts, of Wavepower Limited, said the energy department would be well advised to pause and assimilate the relative advantages and disadvantages of the different devices, rather than taking an immediate decision which to support. Then a prototype design might be chosen which combined the best features of the various proposals.

DOUGLAS

ROBERT M. DOUGLAS HOLDINGS PLC

Civil Engineering and Building Contractors

INTERIM STATEMENT 1982

The unaudited results for the half year to 30th September, 1981, are as follows:

	1981	1980	Year to 31 Mar 81
	£'000	£'000	£'000
Turnover	53,658	52,798	103,789
Trading profit before depreciation	2,423	2,621	6,028
Depreciation	1,676	1,489	3,043
Profit before taxation	747	1,122	3,049
Taxation	242	309	(559)
Profit attributable to members	505	813	3,344
Earnings per share	5.0p	8.0p	35.7p

It is group practice to incorporate interim profits of associated companies only to the extent of any dividends received from those companies.

Although the results are somewhat disappointing, the Group entered the second half of the financial year with a substantially increased workload in construction and in specialist sub-contracting. Most contracts were taken at keen margins, but it is encouraging to be able to report the improvement in work obtained.

Basically Group profits have been hit by the reduction in total demand in the UK for the goods and services supplied by our Construction Equipment Division and in Plant Hire, although overseas companies in the Division enjoyed more buoyant trading conditions. The benefits of the reorganisation in the Specialist Contracting Division have not yet materialised, and the Division operated at a loss during the six months.

The Construction Division profits were greatly improved compared with the corresponding period last year, although substantial losses provisions have been made on two public sector contracts of R M Douglas Construction Ltd. No doubt some of these provisions are recoverable in due course in settlement of final accounts. There are prospects of further improvement in the Division's overseas order books, albeit in markets which remain highly competitive.

A scrip issue of one for two ordinary shares was made on 9th October, 1981. The Board have declared an interim dividend of 0.75p (1981 1.1p) per ordinary share payable on 8th April, 1982 to members on the register at the close of business on 18th March, 1982. Subject to unforeseen circumstances it is anticipated that the dividend for the full year will be in the order of 3.5p.

11th February, 1982

JOHN DOUGLAS, Chairman

See
Shareholder,

The continuing policy of Lonrho is to build the widest geographical spread of active subsidiaries, thereby balancing and protecting the interests of the shareholder who has chosen to invest through the Company. Over the last twenty-one years this has brought a thirty-fivefold increase in earnings per share, substantially outpacing inflation.

The balance sheet is healthy and assets employed in the Group have increased by 23 per cent. to £1,045 million.

Total net borrowings, excluding those relating to our confirming business, have remained at 34 per cent. of total assets employed, which is the same as last year. At the year end cash balances were £136 million. Net current assets stood at £143 million. With acquisitions and the growth of existing businesses, we are now employing 150,000 people. Group turnover was £2,500 million, and profit before tax £121 million.



We have made three major purchases since our last Review. In July we bought 50% of Kühne & Nagel, one of the world's biggest cargo, warehousing and forwarding businesses. Towards the close of the year "The Observer", a Sunday newspaper published in London, was acquired by our publishing subsidiary, George Outram and Co., from Atlantic Richfield of California. We also bought out our partner in Princess Properties International, Mr. D. K. Ludwig of New York, and now wholly own the finest resort hotel in the world, the Acapulco Princess, and its sister hotels.

For the first time we have had to bow to the recession of the economy in Britain and curtail operations at the wholly owned steel making subsidiary, Hadfields, after carrying prolonged and heavy trading and extraordinary losses amounting to £26 million. This has, of course, significantly reduced the net profit after tax in the current year, but you will be glad to read later in this Review that Hadfields continues in business as Britain's only independent steel maker to the drop-forging industry, and is now profitable.

Shareholders will have been puzzled at the decision by the Monopolies and Mergers Commission not to recommend that Lonrho's bid for the House of Fraser be allowed to proceed normally. The Commission decided that the bid was, on the whole, not in the public interest, although by a previous decision in 1979 they cleared the way for Lonrho to build up a 30% bid stake in the equity of House of Fraser. On the other hand, the national Press and the financial Press are unanimous in saying that the Report does not present an adequate argument against our making a bid, and that the House of Fraser shareholders should be allowed to take the decision themselves. We are moving to resolve the stated objections of the Commissioners.

Mining

Metal prices were weaker during the year but higher output helped to offset some of the effect on profits. Total Group gold production was increased to 382,000 ounces. A new gold mine was established at Klipwal which will increase our total gold production still further next year.



The Princess Tower, Bahamas

Good progress has been made with construction work at Eastern Gold Holdings, a major new gold mine in partnership with the Anglo American Corporation. A subsidiary holds a 36% interest in this important venture. Production plans have now been revised upwards to an eventual 390,000 ounces of gold annually.

Last year I referred to plans to exploit a second higher-grade platinum reef. Construction of the new plant for treating this ore is nearing completion and a large increase in production of platinum group metals above the current level of 134,000 ounces is consequently expected from March 1982. Arrangements for refining and selling the additional platinum group metals are largely complete.

Our collieries increased sales by 14% to new record levels of 3 million tonnes of bituminous coal and 602,000 tonnes of anthracite. Construction work on our new anthracite mine has made good progress and output of 600,000 tonnes is projected.

We continue to search for new mining properties. Prospecting has been directed toward precious metals, coal, diamonds and industrial minerals.

Agriculture and Ranching

Due to the strong price of sugar during the early part of the year and

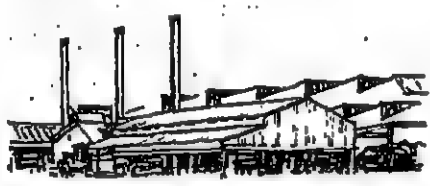
an increase in overall production to over 400,000 tonnes from 65,000 acres, the contribution to profits was substantially ahead of last year and an all-time record.

Both our sugar mills in Malawi and the large factory in Swaziland were working at full capacity. The new sugar project in Benin, in which we have an equity interest and for which we have the management contract, is well advanced and the factory is now being built. We also own three sugar mills in Mauritius.

The success achieved by our operations in irrigated sugar cane in Africa, and especially in the recent Kenana and Dwangwa projects, is becoming appreciated worldwide and consultancy contracts have been offered to us in several new areas including Brazil.

In Zambia we have one of the largest farming companies in the country, which this year grew and sold many thousands of tons of maize, potatoes, wheat and onions, as well as selling cattle and pigs, and supplying some 7 million eggs for the Lusaka market.

In Kenya we have a fully integrated agricultural operation stemming from wattle and its derivatives of tanning, extract, charcoal and wood preservative, together with extensive arable farming and ranching activities. All organic waste, straw, feedlot manure and waste wood are utilised in a successful mushroom farm producing 500 tonnes per annum and calling for advanced biological techniques, including spawn production.



The Suconia Sugar Mill, Malawi

In Zimbabwe we grow coffee, wattle and pines, and run several large herds of beef cattle. The Group's total herd averages 100,000 head, with sales of 20,000 a year.

The Group's tea estates in Malawi were affected by poor weather conditions and the final harvest was the lowest for some years at 4 million kilos.

Hotels

1981 represented another excellent year for Princess Properties International, of which Lonrho now owns 100%, having recently acquired the remaining 50% interest.

The Princess Group is pursuing opportunities for worldwide expansion and taking advantage of the excellent reputation it enjoys in the tourist industry.

The new tower addition to the Acapulco Princess will be completed and operational by the late summer of 1982. Additional land has been purchased in Mexico City to complete the hotel and office block site on the magnificent Paseo de la Reforma, and it will represent the most valuable construction site in Mexico.

In the United Kingdom, another poor tourist year has affected the results of our hotels. The modern Birmingham Metropole Hotel achieved a higher profit than forecast, and gained a new record of over six hundred conferences and exhibitions. We are still the foremost Conference and Exhibition Hotel Group in the country, and the continued improvements carried out by our wholly owned builders, Fassnidge Son & Norris, will help to ensure that we retain that position.

The Casino division has grown in the past year under strict management supervision and, when all improvements have been completed, should contribute significantly to your Group's profits.

Motors

As importer for Volkswagen/Audi motor vehicles, our subsidiary V.A.G. (United Kingdom) had a successful year and has surpassed previous figures. It has been a year in which they achieved the highest-ever vehicle sales figure of 83,330 units. With a 5.5% share of the U.K. car market, it became the leading importer of

The continuing policy of Lonrho is to build the widest geographical spread of active subsidiaries

R.W. Rowland, Chief Executive

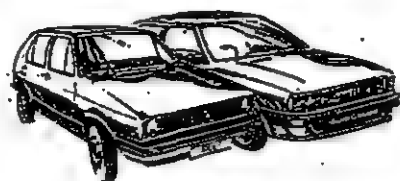
European cars. We are confident that this trend will continue through 1982.

We also own numerous motor retailing outlets in the United Kingdom through which we sold 20,000 vehicles during the year and increased our share of the British Leyland car market to 5.6%.

We are sole distributors in Britain of Deutz tractors, Fahr agricultural machinery and Taarup mowers, which are proving to be most successful.

Jack Barclay, the world's largest distributor of Rolls-Royce and Bentley motor cars, once again made a significant contribution to the results of our motor retailing division. The new Rolls-Royce Silver Spirit, introduced last year, has been well received.

Jack Barclay European has just completed a full year as Volkswagen/Audi dealers. It has made an encouraging contribution to their main business of servicing their customers' Rolls-Royce and Bentley motor cars.



The Volkswagen Golf and Audi Coupe

In East and Central Africa, our motor division suffered from a severe curtailment of import permits due to lack of foreign exchange. In Nigeria we had record sales of 77,500 Yamaha motorcycles and we continued to distribute Mercedes commercial vehicles and Volkswagen motor cars. Overall we sold 216,315 motor vehicles throughout the Group.

Clearing, Forwarding, Warehousing and Cargo

As an international trading company we clear, forward and warehouse on our own behalf. The acquisition of a 50% interest in Kühne & Nagel gives us international capability, with very valuable overseas connections and traditions.



Kühne & Nagel Freight

not been represented.

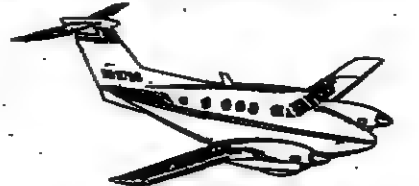
Kühne & Nagel is both profitable and rich in potential, taking Lonrho into 20 countries where we had previously

They have 300 offices worldwide, and almost a century of experience.

John Holt Shipping Services, the leading air cargo handling agents in Nigeria, achieved a record profit increase of 300%.

Aircraft

Our Beechcraft dealership in Africa had a very good year selling 111 aircraft.

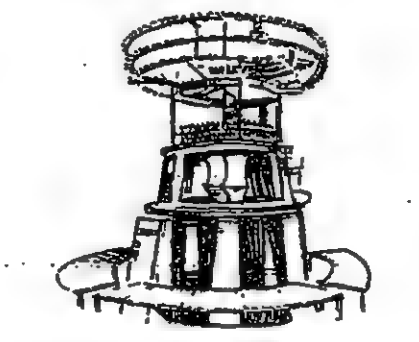


During the year we secured from Gates a franchise for Learjet. The Group owns or leases a total of 30 aircraft, including a Gulfstream II and 3 Boeing 707's.

Textiles

Despite the depressed condition of the textile industry, Lonrho Textiles has managed to hold its market position and the "Accord" range is now firmly established as a major brand of co-ordinated bed linen. The Brentford chain of shops, which aims at a mass market, was expanded during the financial year and by the year-end 56 shops were open, with three more near completion.

Our Lancashire based David Whitehead textile operations have been re-organised and continue to trade profitably. The John Barnes division currently exports 50% of its knitted fabric production to the motor trade in Europe.



Knitting machine at David Whitehead

Our textile companies in Africa have again had a very successful year. In Malawi, David Whitehead increased their production of woven cloth by 17% to 34 million yards, while sales in both the domestic and export markets remained buoyant. An important programme of capital expenditure involving the purchase of over 60 new looms is currently in hand in Zimbabwe.

YEAR AT A GLANCE

	1981	1980
Turnover	£2,456.6m	£2,100.7m
Profit before tax	£120.6m	£119.1m
Profit attributable to Shareholders before extraordinary items	£38.1m	£45.0m
Net assets per share	186p	171p

Balance Sheet at 30 September 1981

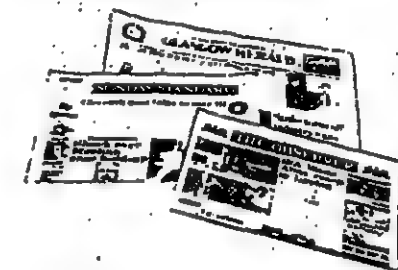
	1981	1980
FUNDS EMPLOYED	£m	£m
Share capital	65.46	65.22
Reserves	422.71	381.44
Equity interest	488.17	446.66
Minority interests		
Princess Properties International*	99.21	65.16
Other minority interests	113.89	86.16
Deferred tax	-75	-53
	702.02	598.51
Loans	342.87	249.80
	1,044.89	848.31
ASSETS EMPLOYED		
Fixed assets	669.48	539.86
Associates	189.09	137.13
Investments	43.38	24.69
Net current assets	142.94	146.63
	1,044.89	848.31

*The minority interest in Princess Properties International was acquired on 2 December 1981 for a purchase consideration of £52.30m, giving a surplus on acquisition of £16.91m which will be credited to reserves.

Printing and Publishing

After consideration by the Monopolies and Mergers Commission, Outrams acquired "The Observer" newspaper which is one of the oldest and most respected national Sunday newspapers in the United Kingdom. The Observer is a valuable addition to our newspaper interests, which are extensive in Scotland. As a result of this acquisition, we are glad to have the previous owners, Atlantic Richfield of California, as a 20% partner in Outrams.

Outrams, publishers of the "Glasgow Herald" and "Evening Times", had a double success in winning first prize in the "Newspaper Design Awards" for the best designed morning and evening papers in the United Kingdom. During the year, they also started a new Sunday paper, the "Sunday Standard", the first major newspaper to be launched in Scotland in the past 60 years. The profitability of the newspaper industry has been badly affected by increased newsprint costs and reduced advertising revenues and Outrams have suffered accordingly.



Our provincial newspapers group, Scottish & Universal Newspapers, continue to do well in a difficult market and have launched a number of new free distribution newspapers during the year, bringing the combined circulation to over 578,000 copies a week.

In the United Kingdom our printing companies have continued to invest in new technology for the years ahead.

Our wholly owned subsidiary, Harrisons, printers of postage stamps to many governments, have a new contract with the British Post Office to print substantially all their postage stamps for a further five year term. Harrisons have now been associated with the British Post Office for over half a century.

Daniel Greenaway & Sons, financial and security printers, completed in November 1981 its investment in the most advanced computerised phototypesetting system currently available. Our Report and Accounts this year have been produced on the new system, considerably speeding up the time normally taken to prepare and print.

The performance of our printing and newspaper companies in Africa has generally been satisfactory, although Printpak in Kenya has made losses.

Export Confirming and Broking

High interest and wide fluctuations in international exchange rates have affected the performance of the international financing operations of Balfour Williamson, whose profits were slightly down on last year.

John Holt's export confirming with West Africa has improved with turnover increased by 50% to £81 million after several years in the doldrums.

Our cotton broking firm has traded satisfactorily, handling 44,000 tonnes in a subdued market.

Property

With our wholly owned subsidiaries, London City & Westcliff Properties and A.V.P. Properties, Lonrho owns a portfolio of commercial and industrial properties in England and France which has a value of £65 million.

The gross rental income from these properties is in excess of £5 million and has increased by 9% in the year.

Department Stores

We continue to hold 30% of the House of Fraser department store chain, worth £72 million at current share prices. I outlined the current position in my opening remarks, and assure you that we will act reasonably and resolutely to bring about a sensible conclusion.

Wines, Spirits and Beers

Whyte & Mackay, Scotland's most popular blended whisky, increased its sales by 21% in the United Kingdom. The John Holt Wine group in the United Kingdom had sales of nearly £70 million. Within this group, Ashe and Nephew now operate 313 off-licenses, and during the year the subsidiary Jones of Speenymoor began bottling "7-UP" for the Tyne Tees area. The vineyards in the Bordeaux area, Châteaux Rausan-Segla, Smith-Haut-Lafitte, La Garde de la Tour and Olivier, and our shippers, Louis Eschenauer, are in good heart, and the 1981 vintage will be a good one.

An important occasion in the Bordeaux wine trade is the "Fête de la Fleur" which was for the first time held in the Graves district and the venue chosen was our own vineyard Chateau Smith-Haut-Lafitte, a signal honour.

In Malawi our breweries produce a traditional African beer which is low in alcohol and high in protein, and sold nearly 13 million gallons. It is planned to build two new breweries to cater for the increasing local demand. The Group also operates a further 17 traditional breweries in partnership with African Governments.

In Nigeria John Holt's Pepsi-Cola plant at Kano doubled its profit in its second full year of production at almost half a million cases of Pepsi-Cola a month. A second plant came into production during the year at Kaduna.

Our Coca Cola bottling plant in Zambia has had a satisfactory year.

Engineering, Steel and Manufacturing

The trading results of our United Kingdom engineering companies were over-shadowed by the problems at Hadfields in Sheffield. Hadfields are in direct competition with the Government owned British Steel Corporation, which immediately following the steel strike in 1980, supported by Government subsidies, embarked upon a programme of price cutting to win back the market share they had lost.

Proposals for the rationalisation of the engineering steels sector were made by British Steel Corporation in March 1981. However, acceptance of these proposals would have meant the total closure of Hadfields and the loss of 2,600 jobs; proposals which your Board considered cruel. It was therefore decided to start our own re-organisation of the company which was completed in June, and since then Hadfields has been making a contribution to Group profits. The losses which we absorbed before making these cuts were very considerable. We have had no financial or other help from the Government.

The Firsteel Group were profitable in the year, with Lightfoot Refrigeration achieving a fine return.

Demand for domestic and office furniture and stainless steel sinks remained at a low level for most of the year. However, a small but welcome increase was evident in the final quarter and this trend has continued into the current year.

Hopkinson, our plumbing factors, continued to expand.

Our engineering and manufacturing companies in Zimbabwe continue to go from strength to strength. W. Dahmer and Zambesi Coachworks are two of the country's leading bus, truck and coach-builders, whilst Crittall-Hope manufacture windows and door frames. In Nigeria we sold 10,000 outdoor engines and built 600 glass-fibre boats.

Pipeline

The Trans-Mozambique pipeline is now ready to operate. During the 1981 dry season, some 80 km of damaged pipe were lifted and repaired or replaced. Negotiations are taking place with the Government of Zimbabwe on the tariff and appropriate revisions of the Concession Agreement and agreement in principle has been reached with the Government of Mozambique.

Conclusion

I know you join the Board in appreciating the hard work and initiative of so very many people who work for Lonrho, and who have built up the strength of the Company to the point where we can yet again be proud in presenting the balance sheet to you. We look forward to next year's problems and successes and we hope you will stay with us as a shareholder!

Yours sincerely,
R.W. Rowland

The seventy-third Annual General Meeting of Lonrho Limited will be held at the Great Room, Grosvenor House, Park Lane, London, W.1. on Friday, 2 April, 1982, at 12 noon.

LONRHO

Lonrho Limited, Cheapside House, 138 Cheapside, London, EC2V 6BL

The text is taken from the Chief Executive's Review contained in the 1981 Report and Accounts which will be published in late-February. Copies will be available from The Secretary, Lonrho Limited, Cheapside House, 138 Cheapside, London, EC2V 6BL.

مكتبة من الأصول

BBC 2

ITV LONDON

Radio 4

Radio

World Service

BBC World Service can be received in Western Europe on medium wave (948 kHz 4830m) at the following times GMT: 6.50 Newsflash, 7.00 World News, 7.00 Twenty Four Hour: News Summary, 7.35 Backtracking, 7.45 Merchant Navy Programme, 8.00 World News, 8.08 Reflection

[illegible]

HTV WEST

As London except: 11.50 am-12.00
Cartoon. 1.20 pm-1.30 News. 2.45-
4.15 Film: *Makua Me an Orie* (Peter
Finch, Adrienne Court) Antique dealer
becomes infatuated by a Wedgwood
Vase. 5.15-5.45 Benson. 6.00 News.
6.15-6.45 Mr. & Mrs. T. 7.30-8.30 Fall
Guy. 10.25-11.00 News. 10.50-11.00
Neighbourhood Show. 11.00 Film:
Crescendo (Stephanie Power).
Student falls in love with a crippler and
is caught in a web of murder. 12.45 am
closedown. HTV Cymru Wales As
As HTV West except: 11.24 am-11.49
about Wales 12.00-12.10 pm
Ffilmfab 4.15-4.45 Elfariad yr
Atirff 6.15 Film: *Death Sentence*
10.30-11.00 Outlook.

TSW

As London except: 11.55am-12.00
Look and See. 1.20pm-1.30 News.
2.05-4.15 Film: *Death Sentence*

neighbours and not beings who have deigned to saunter down from Olympus. He should be in his element tonight, chatting with fellow writers Anthony Burgess and Paul Theroux.

● **Kaleido:** highlights: Janet Suzman, the thinking man's actress and the mad scientist Gabor have ever seen discusses her multiplicity of roles in **KALEIDOSCOPE** (Radio 4, 9.30pm)

The interview peg is her latest film *Prize of Love* in which she plays Frieda Lawrence to Ian McKellen's D. H. . . . In a good day for music, there's the Busch Quartet playing a late Beethoven string quartet, the Op 127 in E flat (Radio 3, 2.35).

● **Radio 4:** highlights: the opera, in a 1981 Edinburgh Festival concert that includes the Elgar *Serenade* for string orchestra and

TVS

As London excepted, 7.30pm-7.30
News, 7.45-8.15 *First Despatch*
Sentence: (Cloris Leachman) Woman
rater thinks her husband should be
in the dock for murder. 5.15 *Watch This
Space*, 7.20-8.30 *Ask Coast to Coast*,
6.00 *Coast to Coast*, 7.30-7.00 *Friday
Sportsweek*, 7.30-8.30 *Full Gals* (Lee
Ann) 7.30-8.30 *Full Gals* (Lee Ann)
Garden: (Burgess Meredith) Series of
creaky tales centred on a sinister
haunted garden, 12.45am
News. Followed by *Clothescom*.

ENTERTAINMENTS

OPERA & BALLET

OLISEUM 5330 31st cc 340 5258
ENGLISH NATIONAL OPERA
al Perf Tonight 7:00 AIDA
tor, Tues 8:00 THE FLYING
JCHMAN, Mon Thurs 7:00 TH
MARRIAGE OF FIGARO, 103 bal
with avail from 10am on day

THE ROYAL OPERA

THE ORAI BALLET
 Tonight at 7:30 and 9:30. Tickets at
 7:30 Swan Lake, Wed at 7:30,
 Tannan. The theatre closed on Mon Feb
 15.

CONCERTS

JAMES' Piccadilly
Tonight 7.30
MUSICIANS UNION
presents a concert
by members of
CHESTRA OF SADLER'S WELLS
— ROYAL BALLET
Prog Inc Gt. Hansel & Gretel
Grieg Holberg Suite.
Ballet Suites etc.
Admission by Prog £1.50

THEATRES

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1750-1935**

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01-278 9231

01-278 9351

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Monday-Friday, 9am-5.30pm.
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on the telephone answering
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more than cancellations or alterations, tel.:
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to be quoted.

